THE NEW REPUBLIC

A Journal of Opinion

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Another Good Choice

William O. Douglas is an admirable choice for the Supreme Court. The forty-year-old head of the SEC has over and over proved his outstanding legal abilities, his common sense and his humanitarianism. Even his geography is correct; the Court is supposed to need a Westerner and Mr. Douglas was born in Minnesota and grew up in the state of Washington. There seems no question of his confirmation, and he will shortly take his place as a worthy successor to one of the great liberal jurists of our time, Mr. Justice Brandeis.

Don't Recognize Franco

The United States has every reason for not recognizing Franco's government in Spain. In the first place, the conqueror is, both by deed and word, ruthless and vindictive. The law that he has promulgated would permit him to punish virtually everyone who has aided the Loyalist cause directly or indirectly; he once told a United Press correspondent that he had a card-index of some 2,000,000 names of persons who would be liquidated after his victory. In the second place, the tragic plight of the 400,000 Spanish refugees in France can really be alleviated only if they can return to their own country, as they cannot now safely do. In the third place, the territory still governed by Madrid is capable of holding out for months; it should be encouraged to do so both for the purpose of gaining better terms for the Loyalists and in order to postpone the next step in Fascist aggression. In the fourth place, it is of supreme importance for our policy in South America that Spain should not remain under a Fascist dictatorship; it will do so only as long as Franco can keep the aid of Italian troops, German specialists and Italian and German planes and artillery. In the fifth place, Franco's victory is in essence the conquest of the Spanish people by foreign powers, and according to the Stimson doctrine we should not recognize unlawful conquest. The New Republic has always maintained that we ought to recognize actual governments whether we like them or not, but this does not apply to governments resting on foreign arms and likely to disappear if foreign aid is withdrawn.

Hitler Takes a City

Just before Hitler marched into Czecho-Slovakia, we were reading two books at the same time and were struck by their unexpected similarity. One of them was "Sons," by Pearl Buck, which is the second and in some ways the best of the novels in the "Good Earth" trilogy. It tells how a Chinese soldier captured two cities and became a local warlord. The other book was "Betrayal in Central Europe," by G. E. R. Gedye, which tells in great detail how Hitler conquered Vienna. The similarity lies in the methods followed by Hitler and the Chinese local warlord. Both took their cities by bluster and treachery, without the loss of a single soldier. Both gave them over to be looted by their followers (that this happened in Vienna too is clear as day in Gedye's story). Both seized the treasures of their victims to pay and equip their own armies. The aim of both their expeditions was plunder first of all—and then a different form of plunder to be wrung from their new subjects in the form of taxes.

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If this was true of Hitler in Vienna, it is truer by far of Hitler in Prague. This time he has not even the excuse of the Pan-German racial theories he has been preaching for twenty years. He is violating his own code of morals. He is invading the land of a non-German people in order to steal their weapons, their money and, before he is through with them, their gold wedding rings and silver spoons. Meanwhile he will be laying new taxes on everything they own or eat or wear.

Counting the Swag

Czecho-Slovakia was, for its size, by far the richest country in central Europe. It had almost everything that a modern nation needs—forest and farmland, coal, waterpower, factories, an industrious population. But what Hitler really wanted was not resources to be exploited in the future; he wanted weapons and money that he could use right away. He got them both, besides finding jobs and graft for his own faithful lieutenants.

The weapons he seized are enough to equip a modern army of 1,500,000 men. Besides airplanes they include the new Czech automatic rifles, said to be better than any made in Germany, and plenty of heavy siege guns, which were lacking in Hitler's army. An even bigger haul is the famous Skoda works, from which most of these weapons came. Since the Skoda works had been supplying arms to Poland, Rumania and Yugoslavia, these countries will have a harder time defending themselves from German attacks. The Witkowitz plant is another rich prize; some people say it is even more important than Skoda. It manufactures armor plate and many special steels for which the Germans had neither the formulas nor the equipment; it is known as the Bethlehem Steel Company of Europe.

The Bank Robbery at Prague

Most of all, Hitler needed hard cash. He has found it in the reserves of the Czecho-Slovakian state bank, amounting to about $100,000,000 in gold and foreign currency. But he won't get all of the gold reserve, since $37,000,000 of it had been sent to London for safekeeping. The British are planning to keep it safely for themselves; there is talk of using it to reduce the Czech foreign debt, which Hitler hasn't offered to pay. Besides the state bank reserve, Dr. Peter F. Drucker estimates that the Czechs had about $400,000,000 in foreign money and foreign securities. Half of this sum hardly counts for Hitler as foreign exchange, since it is invested in the Balkans, which are already part of the German commercial empire. Of the other half, about $100,000,000 is registered with the state bank and Hitler can seize it without delay. The last $100,000,000 is held secretly and Hitler will get as much of it as he can find. Robbery pays, in a world without policemen. Hitler's cash haul will amount to about a quarter of a running for six or eight months. After that—and perhaps much sooner—we can expect another explosion.

Where Next?

When the explosion comes, who will be its victim? Until March of this year, each step taken by Hitler had a logic that could be deduced from his acts, his writings and his speeches. People familiar with the reasons for his preceding aggression—and with the needs of the German military machine—could prophesy what would follow. But his conquest of Czecho-Slovakia was a marauding expedition, secret and sudden; apparently not even Mussolini was told of it in advance. Other such expeditions may follow. Memel is likely to be taken any day, but that is small game. Rumania would yield more booty, but Hungary is nearer, as well as being geographically defenseless and half-Nazified already. Another likely victim is the Grand Duchy of Luxemburg, the tiny country just south of Belgium. Luxemburg has more iron ore, which Hitler still needs, than some of the biggest nations in Europe. But he may also decide to strike suddenly at any other region that seems wealthy and defenseless. The Swiss have shipped most of their gold out of the country and hidden the rest of it; possibly that will save them. The Dutch stockbrokers are liquidating their holdings, and the English are not only furious but worried. It is hard to forget the German general who said, on his first visit to London, "What a marvelous city to loot!"

Stopping German-American Trade

Are the new 25-percent duties on German goods to be considered a political measure or an economic one? The answer seems to be, both. Such an increase is authorized by the tariff law, when any country appears to be dumping subsidized exports in this market. Germany has been doing this. At the same time the date of the announcement linked the action to Germany's seizure of Czecho-Slovakia and made it one more battle in Mr. Roosevelt's "undeclared war" on the dictators. That American public opinion will back the action, we have no doubt at all. Germany has been buying from us hardly anything except war materials that she could not get anywhere else; to an important degree, we have been helping her to rearm. The new duties, by greatly decreasing what she sells to us, will also curtail what we sell to her. If Germany wants to restore her trade with us, she knows what she has to do.

A Czech in America

We can recall no more stirring denunciation of Hitlerism than that uttered over the radio March 19 by Eduard Benes, Czecho-Slovakia's former President, now on the faculty of the University of Chicago. Dr. Benes declared that "with the subjugation of Czecho-Slovakia, freedom is being guillotined." He summar-

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does not recognize any obligations unless it is expedient for it to do so. . . . The only principles on which this regime is based is the rule of force and violence. . . . The third basis is the simple use of the old slogan 'the end justifies the means.'" He made all his hearers feel that the spirit of freedom cherished by the Czechs for many centuries will never surrender, and that his nation will be reborn.

Dr. Benes, by the way, may soon be in the news again for a different reason than making speeches. Both the Czech minister in Washington and the consul in New York have refused to turn over their property to Germany. The United States has firmly declined to give legal sanction to the seizure of Czecho-Slovakia. It is said that a "rump government" may be set up in this country, with Dr. Benes as its head. If this were done, and the American government continued its present policy, the ramifications would be interesting indeed.

Another Relief Warning

Patiently Mr. Roosevelt explained to Congress, in a new message, the need for initiating at once an extra WPA appropriation for $150,000,000—exactly the amount cut off his original recommendation by congressional conservatives. This is not mere stubbornness or pride of opinion. Congress provided that not more than five percent be removed from the relief rolls in February and March. But not even five percent—or 150,000 employees—can now be discharged, because 350,000 have been cut off since the last week in October and there are many in desperate need of relief who have none. By April, the amount of money left under the appropriation will be so small as to require a very drastic cut. Then either 1,000,000 must be discharged at once or week-by-week reduction of the rolls must be made to a total of 1,500,000 at the end of June. This would mean halving the present number of WPA workers. No business revival is in sight which would warrant such a slaughter. Orderly planning of this vast enterprise requires that the administration know early in March what it will have available. It takes at least a month for Congress to act. If Congress does not immediately put an appropriation for $150,000,000 in the works, many people will starve. Unless the President's advice is followed, the Republican Party and the Democratic conservatives will be knowingly responsible for the catastrophe. This editorial paragraph is being kept in type, and will be reprinted when the trouble breaks.

That's what we said in our issue of February 22. Now that President Roosevelt is renewing his demand for an additional relief appropriation, we say it again.

The Crash of a Stratoliner

A brand new Boeing stratoliner crashed the other day under mysterious circumstances. The big half-million-dollar four-motored plane fell two miles, after breaking apart in the air for no apparent cause. The ten persons killed included leading American and Dutch aviation experts. After investigating the wreck, flying personnel was in any way at fault." This statement rather strongly suggests sabotage and reminds us of the charges made six weeks ago by Harry Bridges, West Coast director for the CIO. At that time, Bridges telegraphed to President Roosevelt saying that Nazi agents and sympathizers working for airplane firms in Los Angeles and San Diego are engaged in wholesale sabotage. Perhaps the new and mysterious crash may cause the government, for the first time so far as we know, to pay some attention to Bridges' charges.

No Scrap for the Jap

On the West Coast docks, where freighters throughout the war have been loading scrap iron for shipment to Japan, there is action. Picket lines, made up of longshoremen, church members, Chinese cooks and laundrymen, and a lot of ordinary middle-class citizens, are marching in protest against the help this country is giving to the Japanese invasion. Altogether the pickets have succeeded in holding up iron shipments for a week or more at San Francisco, Portland, Long Beach, Seattle, Bellingham and Everett in Washington, Marshfield and Astoria in Oregon and Vancouver, B. C. Finally, of course, the protests of the pickets are ignored and the metal is sent on its way. But the action has had one permanent result which may carry on the idea. The senate of Oregon's predominantly reactionary legislature has passed a resolution urging that Congress should stop all scrap-iron shipments, not only to Japan, but to all aggressor nations.

Echo of an Era

Barron Collier, advertising man who died last week, was the head of a prodigious number of business concerns and left this world blessed with honors and friends. We didn't know him, but shall remember him for his personal messages to us. They were charming. You recall them—the car-cards that used to fill unsold advertising spaces in trolleys and trains. You remember that beautiful red, white and blue one, for example, the one that you too used to read morning and night in the early days of the depression, when advertising men were begging us all to go Forward. Only genius could have expressed a mystical philosophy of life so simply: Spend All You Can . . . Save All You Can . . . DO BOTH (signed) Barron Collier.

News Notes of a Week

The official German News Agency in Prague contradicted private reports that the suicide rate had jumped to thirty a day. Things were quiet and few arrests being made, they said. But more than 1,000 people were outside the American consulate every day, trying to get American visas. . . . Commissar for Defense Klementi Voroshilov reported to the Communist Party of the USSR that the army had doubled in size

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million men. . . . The British garrison of Hongkong was hurriedly strengthening the settlement's defenses.

The La Follette Civil Liberties Committee issued its report on private industrial armories. Tom Girdler's "Little Steel" spent $79,712 on gas and gas weapons alone during, and just before, the strike in 1937. . . . A new test for early stages of cancer was announced in Science magazine by Drs. Theodore H. Elsasser and George B. Wallace of the New York University Medical College. Such a test has been dreamed of by doctors for years—and widely regarded as impossible. . . . A court to have jurisdiction over the rehabilitation of insolvent railroads was proposed in a bill introduced by Senators Burton K. Wheeler and Harry S. Truman.

Chamberlain's Deathbed Conversion

THE FINAL CONQUEST of Czecho-Slovakia by Hitler was tragic, both for the freedom-loving people who had to submit and for the future of Europe. And, like the third act of a tragic drama, it was the logical conclusion of what had gone before. One shudders when the sword is thrust home, but any other outcome would be incredible, given the preparation. We had already felt the shock, had been prepared for the event, and had expected its consequences, last September when Chamberlain and Daladier returned from Munich. It would have been preposterous to believe that the gallant republic could protect itself, once it was shorn of its border defenses, its resolution and its allies. And it would have been even more preposterous to believe that Hitler would withhold his hand, with this prize defenseless at his feet.

In view of these facts, there is something almost comic about the indignation expressed by Mr. Chamberlain at Birmingham, and by the sudden panic of the British and French governments. Hitler has broken his word. Really! The British Prime Minister and the French Premier will not admit that they have been mistaken in what they have done. They are piqued that they should be treated with such discourtesy by the man of whom they tried to make a friend. Why should they be so angry at a ruler who broke his promise when it suited his convenience? What about the promise of France to Czecho-Slovakia and of Britain to the League? And, above all, what possible reason did they have to expect anything else? It may be a tribute to some kind of morality that they would rather be thought fools than knaves, but the spectacle is not reassuring for the future of a world that has to depend for its survival on the character and intelligence of men like this.

We are told that at last the British Tories and the French conservatives have learned their lesson, that their backs have been pushed to the wall and that they are now ready to resist. It may be so, but it is a little hard to believe. We were told the same thing when Chamberlain returned from Berchtesgaden, and when for a few hours the world nerved itself for courage and a supreme risk. But both men utilized the sudden fear of war—a fear which it is far from certain was justified—in order to strengthen their power at home, to demobilize abroad. Both men now give signs of similar behavior. Chamberlain, whose gargantuan mistakes led directly to the present crisis, will not resign to make way for those who all along knew and said he was wrong. Apparently—though the matter is still uncertain—he will not even include other parties or factions in his Cabinet. Daladier, who so grossly abused the confidence formerly given him by the French Republic, now rejects a Cabinet of national union and demands and receives dictatorial powers without any qualification. Both men thus mobilize the national feeling of their countries for possible resistance. But both also hold unrestricted power to use—if they decide so to use it—for further betrayal and retreat.

It is, for instance, quite possible that now Mussolini will be able to gain his main points in the Mediterranean. The French and British publics believe that the situation is extremely delicate and may lead to war at any moment. (The predicted war scare thus begins to work.) Mussolini, secretly frightened by the anger his partner has aroused, and by the danger of having to fight a world in arms, is ready to desert the axis. (These rumors exist; may they not come from Rome?) Britain then persuades France to help buy his favor by colonial concessions. Mussolini thus puts over another fast one. It is then Hitler's turn again.

Or—for another variant—Britain and France prevail upon the Soviet Union to guarantee Rumania against aggression. But their own parallel commitments are only made to be ignored. A nation that could wriggle out of the Czech alliance could wriggle out of anything. Hitler attacks in the East and the Soviet Union is drawn into war while France and Britain stand by. Thus Chamberlain achieves what many have all along believed to be his main purpose.

We do not predict either of the eventualities outlined above, but in view of past performances neither these nor others like them would be less credible than to believe that the existing governments of France and Britain had suddenly become converted to a program of common resistance by the democracies against all further aggression on the part of the Nazi-Fascist powers.

One piece of evidence that the British and French

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they are trying to draw the Soviet Union out of the isolation into which they thrust her, first in the matter of the pro-Franco "non-intervention" in the Spanish war, and then at Munich. They seem to be attempting to revive European collective security against further aggression among all those nations that are, or might be made, firm in resisting the Rome-Berlin axis—Russia, Poland, Rumania, Yugoslavia, Bulgaria, Turkey, and perhaps the smaller independent states of western and northern Europe. They may at last have made up their minds that Nazi-Fascist conquest is more to be feared in international affairs than communism.

Nevertheless there is something both laughable and suspicious in the sudden cordiality toward Maisky, the Soviet Ambassador in London, in the discovery of Mr. J. L. Garvin, Major Astor's hired man and the Tory editor who has been a consistent enemy of Moscow, that the Soviet republic is after all a true friend of international peace, and in the dispatching of a British trade mission to Russia. Chamberlain and Daladier will encounter much justified distrust in this attempt, having deliberately thrown Czecho-Slovakia and Spain to the wolves, having broken the collective action of the League and having virtually dissolved the French system of alliances. What guarantee is there that they will mean what they say this time any more than they did before, that small nations can really put their trust in them instead of making the best possible terms with Germany before it is too late? What assurance can they give that they will not leave others holding the bag? A much better approach would have been made if Britain and France had first got rid of Chamberlain and Halifax, of Daladier and Bonnet.

The Soviet Union is being coy in response to this new wooing, and rightly so. A mere conference or an exchange of pledges to consult, among the members of the proposed "stop-Hitler" bloc, would hardly be sufficient to restore the confidence and prestige that Britain and France have lost. There should be firm commitments, explicitly announced, as to what the signatories would do in case of an attempt on any one of them. These commitments should be implemented by consultations among the general staffs of the chief powers —the lack of which made the Franco-Soviet alliance a mere shadow. The Soviet Union would be justified in demanding also coöperation against a Japanese attack in the East. Finally, there should be a right-about-face in reference to Spain, where Franco's present rule, as well as his previous victory, rests on Italian and German bayonets. It may be too late to save the Loyalist government, but it is not too late to make Spain a safe place for the refugees to go back to, to save the lives and liberties of millions of freedom-loving Spaniards, and to prevent Spain from being an outpost of Fascist aggression in the Mediterranean and South America.

If the Soviet Union, which is menaced by attack, is justified in being reluctant about the coöperation Chamberlain now seems to want, how much more so should the United States be, which surely would not be threatened with invasion. We have the same reasons to be suspicious, and fewer reasons to want help. Our interest in what happens in Europe is far more remote. Yet, so far, we are the only nation in the world that has done more about the rape of Czecho-Slovakia than to send notes and withdraw ambassadors. By the imposition of an additional tariff and other restrictions on German exports, we have made it next to impossible for this country to buy from her, while Russia, France, Britain and the rest are still carrying on active trade. It is true that this act is not merely one of political reprisal; it was made possible by the tariff law and is part of the implementation of the general Hull policy of reciprocity. Nevertheless, at this particular time, it places a real burden on Germany's ability to obtain the materials for her armament and aggression. We believe that most Americans will take satisfaction in this decision of the administration—it is an expression of our disapproval in something more than words, and short of war.

But, having done this on our own account, should we not pause before rushing to offer help to Britain and France in a possible war? Should we not inquire a little what their plans and objectives are, and what their real needs will be, before involving ourselves inextricably in the fortunes of the hitherto anti-democratic governments in Britain and France? Perhaps the United States' leading interest in European affairs is to keep Fascist influence out of Latin America. What, therefore, are the new converts in Paris and London going to do about Franco? If they need our help, we do not have to offer it without making a single condition in protection of our own interest. Let us see what they will pay for it, in terms of the causes which really arouse the loyalty of Americans.

For this reason we do not favor at the present time Senator Pittman's proposed revision of the Neutrality Act. His resolution would reënact substantially all the provisions of the present law, with the exception that shipments of arms, ammunition and implements of war to belligerents would not be forbidden entirely as at present, but would be permitted if cash were paid for them and they were transported in foreign ships. This change would make it possible for France and Britain to buy munitions from us after they went to war, just as under the present law they could buy food and other supplies. It has this purpose, and no other. If we were sure of the policies of these nations and had their aid in our policies, it might be wise thus to help them, though at great risk to ourselves of being drawn into war and of suffering economic dislocation. But let us not, like romantic sycophants, rush blindly to serve the interests and follow the lead of the gentleman with the

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Miners and Doctors

THERE IS a general assumption that the very rich and the very poor get good medical service. This may be true of the rich but it is not necessarily true of the poor—not even when they pay, and pay heavily. Take for example the care provided for coal miners in the four-state area of Virginia, West Virginia, Kentucky and Tennessee. Conditions in this region have recently been subjected to exhaustive study by the Bureau of Cooperative Medicine, under a grant made jointly by the Twentieth Century and Good Will foundations.

The investigators found that the coal miners are paying large sums for medical service and are often receiving, in return, little or nothing. In the aggregate they pay for doctors' fees and hospitalization $4,500,000 annually plus another $1,500,000 for "extras." Yet in this area there are only 2.5 hospital beds per thousand people as opposed to a United States average of 4.5. In the whole region there are only four hospital beds for contagious diseases. In one instance, four doctors are caring for 15,000 people. One hospital with 75 beds has undertaken to serve some 50,000 people.

These doctors and hospitals work for the coal-mining companies direct. The doctors are paid an annual salary, the hospitals receive an annual fee. The miners are then charged a specified annual amount and this is deducted from their wages through a variant on the "check-off." There is reason to believe that the fees paid by the miners for hospitalization sometimes greatly exceed what the hospitals get, so that the mining companies make a handsome profit. The doctors, who depend for their livelihood on the companies, not unnaturally resolve all doubts in favor of their employers. Although all four of these states have good workmen's-compensation laws, these are nullified by the existing conditions. In Virginia, Kentucky and Tennessee, the law says that an injured worker must accept the medical care offered him by his employer. In West Virginia he has the theoretical right to see some other doctor, but since there usually isn't another doctor within a hundred miles, the technical privilege is not of much importance. There are instances where doctors have been fired by the mine owners for telling the truth about accidents to miners. There are other cases where records have been falsified to indicate that an injured man was not entitled to compensation under the law. Thus a victim of an accident in which his back was broken was said to have died from "natural causes." Another man was killed carrying explosives and the doctor said he had "committed suicide." The report charges that company doctors have permitted injured men to die because death benefits payable are only $4,000 while those for permanent total disability are $6,000.

Since doctors get small salaries and hospitals com- the work naturally suffers. In this whole area, the investigators found not a single artificial-fever machine or iron lung and hardly any X-ray equipment. Men are turned out of the overcrowded wards when they are hardly able to stand up; one bachelor living alone was dismissed from hospital while still in a plaster cast extending from his armpits to his left ankle. The doctors encourage the men to have extra treatment, for which they must pay an additional fee. Many of these supplementary treatments are given at exorbitant rates and are of dubious value. There are numerous stories of medical incompetence or callousness. A doctor near the town of Logan, asked to visit a sick child, said "Hell, no." The child died. A woman in childbirth near Jellico was in labor forty-eight hours, the attending doctor apparently not realizing that her pelvis was too small for normal delivery, and that the baby was dead.

Workmen's-compensation laws are evaded in various ways by the mining companies in addition to forcing doctors to give false testimony as to injuries. One common method is to call back an injured miner who has partially recovered, and give him light work to do. His compensation then automatically stops. After a few days he is put back at heavy work and when he is unable to perform it, is dismissed. Trickery is also used to get the miners to accept private accident insurance, for which they must pay, instead of regular compensation.

The Bureau of Coöperative Medicine has recommended that the United Mine Workers should take a hand in this situation, by setting up Group Health Associations. These coöperative enterprises would be run by the miners themselves, who could thus control both the quality of the medical and hospital service and the honesty and disinterestedness of the doctors. The record of the investigation, which was made by a group of whose ability and probity there can be no question, is sufficient evidence that the proposal needs careful consideration.

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Editors

BRUCE BLIVEN MALCOLM COWLEY R. M. LOVETT
GEORGE SOULE STARK YOUNG

Assistant Editors: OTIS FERGUSON ELIZABETH HULING

Contributing Editors

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HEYWOOD BROUN JOHN T. FLYNN WALDO FRANK
E. C. LINDEMAN JON. MITCHELL LEWIS MUMFORD
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Treasurer: DANIEL MEBANE

E. G. WOOD, *Advertising Manager* BYRON DEXTER, *Circulation Manager*

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How Nazi Economics Works

MR. PER JACOBSON, the economist of the Bank for International Settlements in Basel, startled the Royal Statistical Society in London a few weeks ago by asserting that Germany now has a more orthodox economic policy than any other European country. This statement, coming from somebody in the most advantageous position to appraise German economic developments, was probably meant to be a conscious exaggeration. But it is undoubtedly correct that Nazi economic policy is based upon the definite rejection of all modern "inflationary" or "monetary" economic theories and upon a return to the most orthodox and most fundamental tenet of classical economics: that increases in productive capacity can only be attained through "savings" in consumption. Now that idle reserves of labor, capital and capacity are no longer available, reduction of consumption has become the main basis of the Nazi economic policy.

The key to the German economic "miracle" lies in its being a "managed-consumption" economy in which the government fixes the ratio between that part of the national income which goes into consumption and that which is retained and reinvested in military and economic armaments. Whereas in 1929 almost two-thirds of the German national income went into consumption, more than 50 percent—according to some observers nearly 60 percent—of a smaller national income is now reinvested to produce capital goods, *i.e.*, armaments. It is through this intentional and ruthlessly enforced policy that Germany succeeded in eliminating unemployment, whereas the Western democracies failed when they tried to attain the same end through increasing popular consumption and purchasing power.

It is a common belief that the sacrifices in consumption imposed by the Nazi government in order to obtain the necessary funds for capital goods and armament investments have been mainly borne by the working class. It is undoubtedly correct that the workers have been forced to forgo the higher wages which they should have received as consequence of the increase in production, and that in addition they have been forced to work much longer hours for the same pay. Altogether they produce today about 20 percent more than they would have produced for the same wages under the Republic. But since the idle reserves of capital and labor have been exhausted, the sacrifices of the working class are no longer sufficient. At present the contribution of the workers is neither the largest nor the decisive one. It is surpassed in importance by the compulsory reduction in the consumption of the upper and middle classes, especially of the latter.

Their purchasing power and consumption have been money income has been reduced drastically through cuts in salaries, in the fees of professional men, in the profit margins in industry and trade, and through restrictions of dividends and interest rates; at the same time taxes and the "voluntary contributions" to the Nazi Party and its various organizations have been continually increasing. A small-town lawyer of my acquaintance who is on the best of terms with the Party received last year 35 percent less money than in 1932, whereas his taxes and voluntary contributions have risen 60 percent and take about two-fifths of his income. Second, the purchasing power of the income of the upper and middle classes has been sharply reduced, whereas that of the lower classes has on the whole been maintained. It is the foodstuffs of the upper classes—fresh vegetables, butter, eggs, meat and fruit—that have become scarce and expensive, whereas those of the lower classes—bread, potatoes, cheese and beer—are still plentiful and cheap though their quality has also deteriorated. This applies to all other articles of daily consumption. The only exception is housing, where there is a definite shortage of working-class homes, while the Jewish exodus has led to an abundance of more expensive accommodation. Third, the upper and middle classes have not been allowed to apply the whole of their incomes to consumption. They have been cajoled or forced into large-scale compulsory saving which, through the government monopoly over the capital market and over the resources of banks, insurance companies and savings banks, is at once appropriated to finance military and economic armaments. That the government issues its bonds against these savings does not alter the fact that the amounts are as much lost to the individual as if he had never obtained them. Finally, the enormous machinery of economic control and supervision—in itself the most successful of all Nazi "work-creation" schemes—is a heavy burden upon business. Its maintenance requires between 20 and 25 percent of industrial gross profits. And the mental burden for the business man who has to fill out an average of 150 forms to get permission to accept an export order—running the very real risk of concentration camp if he should make the slightest mistake—is hardly smaller than the economic one.

It is necessary to understand this fundamental mechanism of Nazi economics in order to realize the nature and seriousness of the difficulties with which the regime is now confronted. For the general belief that the Nazi economic system "must collapse economically" is completely erroneous. In the first place it is not inherently inflationary. On the contrary, the policy of financing capital-goods investments through reducing consump-

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ments in Germany bear out this view. Although the government debt has increased three to fourfold since the Nazis came to power, the total indebtedness of the country—private and public—is probably lower than in 1929, certainly not higher. And although the volume of deposits and of bank notes has also increased, the velocity of money turnover has slowed down so much as to result in a sharp deflationary contraction.

Furthermore the concentration of the Nazi system upon armaments need not be such an overwhelming economic weakness. On the assumption that the fundamental theory is correct according to which increases in productive capacity can only be attained through savings, Nazi economy is at least as strong as an economy which concentrates upon the production of radio sets, passenger automobiles and similar articles of luxury consumption. In both cases economic energies are devoted to the production of goods which are not productive in themselves; and in both cases this is economically harmless as long as the capital spent upon their production would not otherwise have been spent upon the manufacture of something economically productive.

The choice between radio sets and guns is not an economic one; it is one between different social and political philosophies. And the economic system which concentrates on guns, no less than the one which concentrates on radios, would be economically superior to an economy which lets resources of man power, money and material lie idle. As long as the Nazis can continue to reduce consumption in order to obtain new capital for further investment in capital-goods production, the system should work economically. It is only when the point is reached beyond which further cuts in consumption are physically impossible that the economic difficulties will begin and that economic collapse will threaten. But until then the only danger to the Nazi economic system would appear to be political: the refusal of the masses to make the necessary sacrifices.

The present serious economic difficulties imply therefore either sudden political resistance against further consumption-cutting, or the sudden emergence of trends which threaten to precipitate the decline in consumption towards the irreducible minimum. Actually both happened at the same time. On the one hand Nazi economic policy has, for the first time, been confronted with definite and determined resistance on the part of one section of the population, namely, the upper and middle classes. On the other hand it has become apparent that the continued dependence of Nazi Germany upon raw-material imports constitutes a rapidly growing burden upon domestic purchasing power and consumption which threatens to become intolerable.

The resistance of the upper and middle classes which culminated in Dr. Schacht's "ultimatum" to Hitler and of business over the developments after Munich. Up till then business men and bankers had been promised that the policy of consumption-reduction and the drive towards "Wehrwirtschaft" would be relaxed after the first major triumph in foreign politics. Actually it would have been quite easy to slow down during the last six months. But instead the German government has doubled the pace; the economy has been intentionally driven to a point beyond which actual expropriation of the upper and middle classes will have to be resorted to in order to keep the economic machine going. Combined with the growing apprehension over the outcome of Hitler's foreign policy and the resentment over the anti-Jewish pogroms, this threat of expropriation resulted in a united effort of the business world to oust the Nazi "bolsheviks" and to return to a capitalist economy.

This effort has failed—at least for the time being. But it has created very serious difficulties for Nazi economic policy, such as the resistance of the banking fraternity against further government loans. Yet at its very worst the resistance is a political one, and can be dealt with by political and police methods. The difficulties arising out of the import problem are, however, inherently economic and they are beyond the control of the Nazi leaders. They have therefore become the paramount economic problem.

The Nazis have found it difficult before to cover their foreign-exchange requirements. But the last few months proved that dependence upon imports of raw materials in a "managed-consumption" economy is not simply a problem of the trade balance as in free capitalism. Such imports sharply accelerate the reduction of mass consumption and mass purchasing power. Export goods, which are the only means by which imports can be paid, must come out of that part of the productive capacity that would otherwise be devoted to the production of goods for domestic consumption. Since, as a result of government management, this "consumption quota" of the national productive capacity and of the national income becomes smaller, an increasing share of it will be taken up by the production of export goods, which therefore becomes a growing burden upon national consumption itself. In addition the imports, which were formerly largely used for consumption, are now almost completely devoted to armaments, so that consumption is reduced again. Altogether, the necessity to continue imports leads to a progressive reduction of consumption in a vicious spiral that feeds on itself.

The increasing difficulty in keeping the balance of trade is therefore only one consequence of the dependence upon imports. Another—and a more serious one—is the danger of a rapid reduction of consumption to the physical minimum. This point has almost been reached at what has always been one of the weakest spots of Germany's economy: the livestock industry. Whereas the food supply for human consumption is

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still large enough to permit of further contraction, the feed supply for livestock, especially for cattle, has fallen below the minimum requirements. It is probably already as low as in the last war years, and threatens to decline further. And while Germany has to find a solution to these problems the conquest of Austria and the Sudetenland has added about 50 percent to her import worries; the Sudetenland alone is said to require monthly subsidies of 150,000,000 to 250,000,000 marks of which about one-third is for imports of raw materials and foodstuffs. The conquest of Bohemia and Moravia was undoubtedly inspired by these worries.

An export drive, even if it is fully successful, can never solve the real difficulty: the enforced reduction of domestic consumption which would only be accelerated by an increase in exports. Hitler's "export at all costs" is merely a temporary expedient; his real aim must be the totalitarian penetration of raw-material-supplying countries. For there is only one lasting solution to the import problem under "Wehrwirtschaft": the formation of a self-sufficient economic area organized on totalitarian, political, social and economic lines. The Third Reich has to conquer or perish.

PETER F. DRUCKER

The Czecho-Slovakia That Was

Though it was written before Hitler finally invaded Bohemia, Moravia and Slovakia, this article is made even more poignant by the complete destruction of Czecho-Slovakia. It is not only a record of some accomplishments of the first Czecho-Slovakia, but a record of the living spirit and strength of its people.—THE EDITORS

LAST SUMMER I visited Czecho-Slovakia to see what progress had been made toward a socialized state. The last time I had been there, in 1921, I had been fortunate in having a long talk with President Masaryk at his country estate near Prague. The Czech President, who described himself as something of a Fabian Socialist, spoke on that occasion of his ambition for his country. Czecho-Slovakia was already a political democracy. Its Constitution provided for a comprehensive system of proportional representation which assured to all minority groups their fair share of seats in parliamentary bodies. Masaryk wanted his country to succeed as a political democracy. He wanted it to move, too, toward industrial democracy.

At that time, only two years after its formation, the Czech Republic, he said, had gone some distance toward public control of its own industrial affairs. The Socialist, labor and liberal representation in Parliament and in the Ministry was strong. The old landed aristocracy was disappearing. Many of the great estates taken from the Austro-Hungarian Junkers were being divided up and distributed in small parcels to the peasants. The telephone and telegraph industries, more than 80 percent of the railroads and more than a million acres of forest land were owned and operated by the government.

Last summer, on my return to Czecho-Slovakia, I found that, while this eastern democracy had had to contend, in the intervening seventeen years, with many industrial and political obstacles at home and abroad, distinct progress had been made [illegible]

The publicly owned industries of the early days of the Republic had remained in the hands of the state. They were efficiently run and yielded to the state a good net revenue. The railroads, which had assumed at the time of the Versailles Treaty a heavy financial obligation, and were conducted with a view not only to satisfying economic wants but to meeting the needs of national defense, were one of the few public industries that did not balance their budgets; their deficit was from $5,000,000 to $7,000,000 a year. In most instances, the strong trade-union movement ensured fair treatment to the workers in the public industries. For the railroads the Social Democratic Minister of Transportation, Rudolph Bechyne, was a guarantee of an enlightened labor policy.

I found last August that the government was a large operator of other industries. It owned a number of mines, hydro-electric plants and fisheries, held a monopoly of tobacco, operated a number of smelting and radium works, and had a major share of stocks in some of the large munitions works. The State controlled the powerful Czech Postal Savings Bank, which permitted checking accounts and was used extensively by workers and businesses alike. Many famous spas, mineral springs and cultural centers were controlled by the government.

The various municipalities had developed extensive municipal services. During a long afternoon ride around Prague, I was impressed with their extent in that largest of the nation's centers. Tramways, buses, abattoirs, electrical and gas plants and numerous apartment-house groups were among the municipal enterprises.

During the last twelve years in Czecho-Slovakia, an extensive social-insurance system had likewise developed. When in Prague, I had the privilege of inspecting the immaculately clean, attractive and efficiently run headquarters of the country's social-insurance system. One of these headquarters contained, in what was

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names of Czech wage-earners who were on the social-insurance lists. The other was the central headquarters for the office and intellectual workers.

The insurance system, as far as health insurance and old-age pensions were concerned, was one of the most comprehensive in Europe, applying not only to the industrial worker, in factory, office and mine, but to farm laborers and household servants as well. Under the insurance plan, which included provisions for sickness and old age, the employer deducted two to three percent on a sliding scale from the weekly or monthly wages of all employees, and added an equal amount himself. In case of ill health, the employee or any member of his family was entitled to go to any panel doctor, dentist, oculist or other specialist. The panel doctor might prescribe any form of treatment required and arrange to have the patient accepted at any of the clinics, sanatoria or centers of thermal, electric or other treatments, owned and operated by the fund. He might send the patient to the mountains for convalescent treatment of from two weeks to nine months, at the total or partial expense of the fund. If the physician prescribed for medicine the prescription could be obtained free or at greatly reduced prices on presentation of a fund ticket. While unable to work the patient received a stipulated allowance for a maximum period of fifty-two weeks. The old-age system, as in most other countries, covered those of sixty-five years and over.

The non-profit industrial activities in the country were, of course, not confined to the public services. Czecho-Slovakia, like other democratic nations of Europe, had a strong coöperative movement. In the late summer of last year the Czechs had 17,000 coöoperative societies of all types, organized in some 50 federations—consumers' coöperatives, credit societies, rural electrification coöps, agricultural purchasing and marketing organizations and productive workers' groups. Factory after factory had recently been built by the Czech cooperative wholesale to supply the growing needs of the workers. No less than 40 percent of the population was involved in these coöperative ventures. In many a Bohemian village coöperatives assisted the farmer in nearly every phase of his economic life.

The workers' living standards had been raised during the nearly twenty years of the life of this republic through the operation of the foregoing public and cooperative industries and the country's social-insurance system. They had been improved likewise through the strong trade-union organizations, with their total membership of nearly 1,500,000 workers—about 40 percent of the organizable workers in the country. Trade unions here, as elsewhere, worked for improved living conditions not only through industrial action but through political pressure. The republic had hardly been organized before Parliament enacted a forty-eight-hour law.

Later legislation included acts providing for one week's holiday with pay to all persons in any employment, and from two to four weeks for office workers. Most of the offices in Prague closed at two-thirty during July and August. The workers arrived at seven-thirty or eight o'clock in the morning, ate a light lunch, and promptly at half-past two were ready for a long summer afternoon and evening of recreation. Enlightened labor relations for years went hand in hand with a remarkable development of the sports and cultural life of the masses. This development was reflected in the steady growth of the Sokol, the Workers' Gymnastic Union and other sports and athletic organizations of which Czecho-Slovakia was so justly proud. It was reflected likewise in the growth of the workers' and adult educational movement and of numerous workers' cultural groups.

These constructive social developments were for years accelerated by the constant pressure of political working-class organizations. Throughout the life of Czecho-Slovakia, labor was an important political factor. In the summer of last year, Czecho Social Democracy was represented in Parliament by thirty-eight members, and in the Cabinet by three Ministers. German Social Democrats, chiefly in the Sudeten territory, had eleven seats in Parliament, while the Czech and German Communists had thirty. When Masaryk was alive, he supported the Social Democrats on many occasions. He contributed, years before the establishment of the republic, to a fund to put the Socialist paper, the Pravo Lidu, on its feet. He gave to the Workers' Academy its largest individual contribution, and his wife was for years a member of the Social Democratic Party. Dr. Benes, leader of the so-called National Socialists, a distinctly liberal and anti-Fascist party which had twenty-eight seats in Parliament, also on innumerable occasions worked with the Social Democrats. The Socialist aims went far beyond the labor and social legislation that the Czecho-Slovakian Parliament had passed. But, while powerful, the radical group were in a minority, and could push the program of socialization no further than the majority would permit. Parliament, during the last few years, had felt so keenly the need for huge appropriations for national defense that many representatives opposed social measures they would otherwise have supported.

During her twenty years of struggle, the Czecho-Slovakia of the Versailles Treaty had not built a Utopia. Before dismemberment, she was still grappling with numerous unsolved problems—many of the worst problems not of her own making. But this little country had done much to make life worth living for its people and if it had been able to continue its national life undisturbed it would have moved even further, in the economic as well as in the political field, toward the

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Veblen and "Business Enterprise"

Seventh of the "Books That Changed Our Minds"

VEBLEN was a strange creature, looked at through common-sense eyes; and commentators have not known quite how to account for the distillation into so alien a vessel of an American century's discontents. At any rate he remained a stranger; when conciliatory gestures were made in his direction he chose to ignore them. This went to extremes; an outright offer, ultimately—which came from the conservatives by way of reparation—to make him president of the American Economic Association was languidly refused. Of course that was very late, and by then he had become a persistent concealer of prides as well as sorrows behind a mask of indifference.

He is so often pictured as a disembodied intelligence that exploration of his devious relations with the world is more necessary than it might be in considering other philosophers. The fact is that none has been more genuinely part of the events of his time. He was shaped by and helped to shape his environment as few men are able to do. No one now doubts his power; not so many understand that its source lay in an anger which was diffused beneath a clinkered surface.

It would be difficult to say which of his books influenced us most. "The Theory of Business Enterprise" was more closely related to the formation of public policy. But it was the third of a trilogy in which "The Theory of the Leisure Class" came first, and a series of articles which included "The Preconceptions of Economic Science" came second. All these, as can be understood from unmistakable likenesses melting into and illuminating one another, emerged from the same mind during one period in an uninterrupted stream. So that if one book cannot be centered on, one creative design is quite easy to distinguish. The effort resulted in a system—and it was a system which, in spite of its incompatibility with instrumentalism, a whole generation of instrumentalists has used. It formed, for an age of science, an (economic) hypothesis superior to any suggested alternate; and from its first enunciation of a new method the decline of economic classicism was ensured. After its original drafting, in the very early years of the century, it underwent no basic change; the framework and the apparatus were simply turned to expanded uses.

In such a philosopher as Mr. John Dewey method is all-important; in Veblen that is not so certain. It would be difficult to say whether institutionalism was used to arrive at the theory (and perhaps to establish it as more than hypothesis) or whether it was conceived as having a value unrelated to a particular end. To the most as a by-product of something which to him was important, reaching a new economics by way of the conspicuous consumption illustrated in women's dress, or by way of economists' neglect for their subject matter—which, he said, was business and the machine process—in favor of taxonomic exercise. The studies in deliberate waste seemed to have been animated by a racial bitterness and the undermining of economics by the need for intellectual revenge. Both have been ascribed to compensatory compulsion. Before he got through, however, it began to appear that he had done something more important than merely to exercise a complex. Those who put it all together could infer an intention to expose capitalism as an impossible mixture of mutually canceling elements, and the going economics as an inferior example of the artificial one-thing-at-a-time method. Certainly to the casual student the hypothesis was everything; to others the new institutional method had the value of release from orthodoxy and was therefore far more important.

The machine process, which was the beating heart of modernism, set up a discipline, Veblen said, which called for one set of traits—exactitude, faithfulness to standards, subjection to rhythm, steadiness—to keep it going; but it was operated by businesses which enforced habits of the opposite sort—speculation, sportsmanship, conspicuous consumption, wasteful ceremonial, whimsical management.

Conventional economics served to conceal this paradox, so it appeared, by never reasoning about the operating world, only about an assumed one in which men responded automatically to a calculation of pleasures as against pains, and in which prices reflected degrees of willingness to serve or to sacrifice. Economics was like religion in this, that it had nothing to do with the behavior of men on weekdays—only, so to speak, on economic Sundays.

The inference embedded in this was that any positive rationale lay in men's natures and in their working lives. "The Theory of the Leisure Class" explored the one and "The Theory of Business Enterprise" elaborated the other—but always negatively and with much left to the imagination. Both books began with majestically simple propositions and arrived at their outrageous conclusions by the statement of equally simple ones following each other with deceptive underemphasis; the piling up of the load was so neat as to be almost unnoticed. "The Leisure Class," which estab-

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barbaric culture—as in feudal Europe or Japan—and going on to observe how the upper classes were exempted from industrial occupations and reserved for activities to which honor attached; it was merely remarked that these had to do largely with fighting and exploiting. This theme ran on and elaborated itself in wholly unobjectionable fashion until the next was about to appear, whereupon it was disclosed that arrival had been made at a decisive stage:

> . . . no employment and no acquisition is morally possible to the self-respecting man except . . . to kill, to destroy such competitors in the struggle for existence as attempted to resist or elude him. . . ."

This was modern man, not his ancestors!

The argument here rested upon an anthropological view for which no evidence was adduced, just as the opening argument of "Business Enterprise" rested also upon a statement of the nature of business and of modern work which was unsupported. Each of these generalities carried a vast superstructure of theory; each must have been prepared with appalling labor and rigorous thought over many years. Arrogance of simplification could scarcely have been carried further. It illustrates that contempt for his readers which was instinct in every line of Veblen, along with a contrasting care for meeting standards of his own. An even more flagrant example followed. For the second theme in "The Leisure Class" lifted out of the heart of a wholly implied psychological system an "instinct of workmanship" which was to be basic. Veblen let it go at this:

> As a matter of selective necessity, man is an agent. He is, in his own apprehension, a center of unfolding impulsive activity—teleological activity. He is an agent seeking in every act the accomplishment of some concrete, objective, impersonal end. By force of his being such an agent he is possessed of a taste for effective work, and a distaste for futile effort.

Before the introduction to "The Leisure Class" was complete, Veblen had ranged social forces in fateful opposition: the exploitative and competitive against the peaceable and industrious, the hunter-warrior against the settled workman—that is to say, business vs. industry, pecuniary emulation vs. the instinct of workmanship.

It is important to notice that both themes—the one resting on anthropology and the other on psychology—were introduced in Darwinian terms. The first mentioned survival in a struggle for existence, the other a "selective necessity." The institutionalism was, when he arrived at it, cast also in evolutionary terms, standing thus opposed to the pre-Darwinian classicism.

"The Leisure Class," it could finally be seen, was not important because of its quotable contempt for modern wasters, but because it explained the existence of standards and of conformities which made such bitiable fools result which might, under other circumstances, have been reversed. Veblen was certainly not averse to ridiculing the business classes; he did, however, have a deeper purpose in showing how they had descended from a barbaric strain; his real interest lay in the paradox of their duties, not in the objects under examination. The institutional theory was elaborated thus:

> The life of man in society, just like the life of other species, is a struggle for existence, and therefore it is a process of selective adaptation. The evolution of social structure has been a process of natural selection of institutions. . . . Institutions are not only themselves the result of a selective and adaptive process which shapes the prevailing or dominant types of spiritual attitude and aptitudes; they are at the same time special methods of life and of human relations, and are therefore in their turn efficient factors of selection. So that the changing institutions in their turn make for a further selection of individuals endowed with the fittest temperament, and a further adaptation of individual temperament and habits to the changing environment through the formation of new institutions.

How this applied to the modern industrial culture was explained in "Business Enterprise." The machine was the dominant institution in industry. Its routine set a pattern and pace to which all else must accommodate itself—if society was to live and prosper; but of course society need not live and prosper. For the proclivities of the destructive honor-men survived in the captains of business whose activities damaged the productive machine. The result of this conflict in disciplines by which one class destroyed, wasted and even prevented the production of the products made by another, was instability and periodic depression. The theory of credit and capitalization was worked out twice over to show that the creation of surpluses (or underconsumption if one preferred to put it that way) was a business fact, not an industrial one. An industrial system run by government (for instance) rather than by business would (inferentially) produce generously the right goods and services and they would be used completely by consumers; business men lived by confusing what was essentially uncomplicated, by stopping and starting production, thus creating shortages and surpluses, by manipulating prices, and profiting by change. The rigging essential to this was done through the system of credit. What was capitalized was future profits; but profits were not dependent on productivity; they were perhaps oftener made by limiting it. Credit, therefore, further ensured instability.

When this theory was carried over into politics, government appeared also as a business institution. If it had been industrial it would have been forced long since to eliminate business; it was an agent of destruction. But the common-sense, non-reasoning approach of the ordinary citizen made it seem clear to him that what was good for business was good for himself, just as

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good for the subject. This was the emulation principle at work. Public policy, in a state dominated by majority franchise, was therefore cast in favor of business and against industry—which meant the enforcing of insecurity and periodic collapse. Here was the common-sense mind laboring and producing its own destruction. Teleology operated but it operated through institutions which implacably opposed each other.

The last chapter of "Business Enterprise" was devoted to the "natural decay" of the institution. This was the final irony. Historians before Veblen had pointed out that business had not exactly existed since the dawn of time and that its claim to sacredness was suspiciously recent. It remained for Veblen to suggest that it was not even the permanent end of a beneficent evolutionary process—that, in fact, its regime normally would be transitory. Business having come to its full development, decomposition would set in, he said, quite naturally.

The machine process, as a discipline, acted to cut away the basis on which business enterprise was founded: the system of natural and property rights, of honorifics, of the wasteful use of goods, of elaborate ceremonial and the infantilisms of sportsmanship. It was of the nature of business, however, to eliminate competitors, in which case the whole complex of motivations tended to fail, since there were always fewer and fewer profit-receivers and more and more wage-takers. For men who worked at routine jobs and who got no speculative gains were subject to the discipline of the machine process and did not respond to the stimulations of pecuniary emulation. Routine jobs multiplied inordinately as the monopolization of business went on; the time came, too, when enterprise was completely dependent on the machine process to get anything done; and when that happened all the inevitable destructive conflicts must set in: "In their struggle against the cultural effects of the machine process . . . business principles cannot win in the long run; since an effectual mutilation or inhibition of the machine system would gradually push business enterprise to the wall." Business dared not kill the goose which laid the golden eggs even when it grew to monstruous size and refused submission to its master. But if it did not the goose would die anyway. This was the dilemma.

An elaborate scientific pose was Veblen's answer to those who inquired concerning the future. His was an analytical work, he replied, and he had no interest in prophecy. The inevitability of decline or destruction was the unforgettable lesson. Of course there were very few at the century's beginning who quite believed it, or for that matter, who believe it now, however complete their intellectual assent. That a theory can actually be true is hard to accept if it happens not to be acceptable anyhow. The political economy of Ricardo, Mill and Marshall was completely false if this was a genuinely operative principle; that system was, indeed no more than a justification—a screen for the nastier aspects of industrialism. If the persistent suicidal compulsion to which Veblen pointed were accepted, it followed that the end for capitalism must be death—perhaps by collapse, perhaps by slow self-strangulation; and this was the conclusion which was so hard.

During the decade following the War, doubters were laughed down and the Veblen cult was pretty well confined to a few litterateurs. The depression was a nasty shock for those who thought that a meliorative principle worked through the meanest tricks of competition to establish the best of all possible worlds; but the delusion, though its brightness was fogged, survived even that. It would not have surprised Veblen if someone had been able to tell him in his eighty-second year that the culture he had long since come to regard as doomed was marching rapidly down the secular curves of regress; it is even possible that he might not have been surprised to hear that the march was being accompanied by a desperately strident chorus of praise for the virtues he knew to be fatal ones. His own disillusions could only be measured, ever, by the contrasting illusions of his fellow men; for these were foster parents to the vultures of conflict which were tearing at the vitals of civilization.

It is not necessary to apologize now for cursory exegesis of what was a complicated logical structure. Years ago Mr. Joseph Dorfman completed that task in definitive fashion. The reader who cares to explore the apparatus is asked to read the fourteenth chapter of "Thorstein Veblen and His America." What Mr. Dorfman could not do once and for all—because a book has to stop somewhere and be published—was to trace out Veblen's widening influence as the years passed and to measure the march of events toward the conclusions he had anticipated. That had to be left for others.

Mr. C. E. Ayres has observed, concerning Mr. John Dewey, that he does not seem remarkable any more because his thought has passed into our minds and become familiar. This is almost as true of Veblen. The opening statement of "Business Enterprise," describing the discipline of the machine and how it differed from the old enterpriser's rule of thumb, seems commonplace now; but that is because it has been so thoroughly accepted. Only with something of an effort can it be recalled how little he had to go on in making this generalization. Taylor and scientific management were known then to a small circle of engineers, but no economist had heard of either, probably (the name was not yet invented), and certainly none had seen that any modification of common sense was necessary. All that is not so strange, remarkable as the intellectual effort was, as the further generalization that concatenation was of the essence of the entire standardized in-

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his "Shop Management"; not until a few years before the War would he approach such an apprehension as Veblen had of the significance of series operations. The theorist anticipated the experimenter by more than a decade. Yet, little as he had to go on, he was not afraid to make this a bearing foundation of his structure.

He went on to show how the system *at large* was taking on the character of "a comprehensive, balanced mechanical process" and to conclude that "any degree of maladjustment in the interstitial coördinations" was dangerous. But it was, he said, "by business transactions that the balance of working relations . . . is maintained or restored, adjusted and readjusted." And business men had no knowledge of a duty to coördinate; society held out to them rewards for preventing, equally with rewards for effecting, coördination. Many a Veblen student went back to read the closing sentence of that chapter, after 1929, wondering how he could have missed its meaning: "The larger and more close-knit and more delicately balanced the industrial system, and the larger the constituent units, the larger and more far-reaching will be the effect of each business move in this field." This, of course, was why 1929 was not an "ordinary" depression but a new phenomenon of a magnitude and range hitherto unknown.

Veblen was never taken in by the essentially reactionary progressivism of his time. This was characterized, it will be remembered, by "trust-busting" and attacks on Wall Street after the manner of the first Roosevelt, La Follette and the muckrakers. Veblen pointed out that the big business man performed a useful function in destroying the little ones and thereby reducing the number of dangerous interruptions to "interstitial coördination." It was true that, because of their independence of any control, they made crises more convulsive, but that was a matter of degree rather than of kind. He indicated later that this coordinative process might be turned over to a kind of Soviet of Engineers if the captains of finance could be eliminated who created the pecuniary emulative standard which traversed the workmanlike tendencies of industry.

Veblen's creative years—measured by consequence in the establishing of his system—began at Cornell and ended at Chicago. The years ran roughly between 1891 and 1906. The student period at Carlton, at Johns Hopkins and at Yale had, before his Cornell appointment, been behind him for seven apparently shiftless years.

He finally escaped from the plains; but American colleges in general, and Cornell and Chicago in particular, were hardly to be regarded as breeding places for social invention. Indeed they took considerable pains to ensure orthodoxy. But the President Harpers could not be everywhere and see everything. That Veblen was subversive [illegible] become clear to anyone for some time. Eventually he was found out; but meanwhile he enjoyed his scholarly opportunities. His extended book reviews in The Journal of Political Economy, which he edited for several years, his long technical articles and finally his books had a very limited audience. Even today that is true. Probably as many people read Newton's "Principia" or Darwin's "Origin" in any given year as read "Business Enterprise." When the lectures he made in his sleepy drawl to a handful of students, the book-notes and reviews in obscure periodicals, the articles and monographs, were rewritten and appeared as the two first books, the author himself had to pay for their publication.

Up to Veblen's death "Business Enterprise" sold only about 4,000 copies. This did not make Veblen's life an easily independent one; it did not help either, that his personal relations were irregular and disturbed. He had no close friends, perhaps because he so invariably turned a sneering face to the world, perhaps because he had one of those unpleasant, rather unclean appearances, as though he washed infrequently and neglected his clothes. Yet, though he had no friends, he seems to have appealed to a number of women—too many, considering that he needed to maintain a place in the ultra-respectable environs of the pre-war universities. Take him altogether: a theorist whose attack, sly and slow as it was, on the institutions of competitive capitalism was the most dangerous ever made; an academic dweller who fouled the neat nest of economics with slurring doubts of his colleagues' intellectual honesty; an untidy disregarder of conventions which were enforced by a campus-corps of idle women—it is remarkable that when Chicago cast him out he should have found refuge successively at Stanford and at Missouri. Ultimately the academic world refused to tolerate him.

Ill and exhausted, his creative years far behind him, he approached an end which came in 1929. The last article he wrote was rejected for publication. This was in 1927. Mr. Dorfman records his answer to an inquiry, after this, as to why he wrote no more: "I am seventy years old,' he said, "and I have decided not to break the Sabbath. It is such a nice Sabbath." This, too, was double-edged. Nothing was nice about that last Sabbatical which no institution had given him as a right. He was worshipped from afar by scattered devotees, but he had no one to talk with; he had most of his income as charity from a former student. The man who shook the world with his irony and who opened the way to a new social system for the generation which should find the wit to resolve the conflicts he had pointed out, went slowly out of life, lonely, trivial, unappeased and disagreeable. But that was probably all in the character he had chosen out of those available to him. He had acted a part until he

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himself that way among his students—too long, for a man cannot act for himself alone, and he is sure to regret, if he lives to be old, and his associates fall away, that no one loves fiercely the bare bones of his body and spirit. At least there are plenty of signs that Veblen had such regret. R. G. TUGWELL

Snow Hill Incident

SNOW HILL, MARYLAND, lies between two towns which have recently been tackled by the cannery and agricultural workers' unions. Crisfield to the south and Cambridge to the west have been organized in the face of many threats and some open violence against organizers and men. In Crisfield a union contract has notably improved hours, conditions and wages among the crab pickers, and the new union has demonstrated that black and white can and will organize together. Although Snow Hill canners are confident that there has been no union organizer in their plants, it is impossible that the transients have not brought with them information about unionization, its methods and its results.

September is traditionally a bad month in the canning towns of the Eastern Shore. Canneries close down, releasing the itinerant workers at the same time that extra hands on the farms are laid off. Many of these "floaters" have no homes to go to and few of them have the money to go anyway. Transportation is provided into Snow Hill when they are needed, but not out of it when they are through. It is bad enough that they increase the proportion of black to white in the communities, but of late they are also suspected of "putting ideas" into the heads of local Negroes. These floaters are a problem every fall, and the problem is usually solved by official urging to move along.

At about 11:30 on Saturday night, September 17, a group of Negro boys were walking down an alley that entered the main thoroughfare a little way from the square. It was a short cut between two Negro places of entertainment, but it was indiscreet of them not to take the longer way around to avoid the main street.

It was also indiscreet to be talking and laughing as loud as they were, and as they approached the main street one boy saw the chief of police watching them from behind a parked car. He warned his companions, "Yonder's the chief of police. We better keep a little quiet." But Frank Bishop, seventeen-year-old cannery worker, thought otherwise.

There are several versions of what he said. There is no doubt that he would have been wiser not to say anything. But, assuming the worst, his "Oh, the hell with the chief of police" hardly deserved the reply it got.

The policeman stepped from behind the car and fired. Bishop fell with a bullet in his head.

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as he could catch and marched them off to jail. He did nothing about Bishop. Two other Negro boys picked him up and drove him to the Salisbury hospital, eighteen miles away. He was dead when they arrived. The boys were later arrested and fined for their pains.

Meanwhile the story spread through Snow Hill like wildfire. By a strange transference of guilt, the murder of one Negro boy assumed the character of an affront against the local whites. The Negroes, led or misled by the "foreign" element, seemed less disposed to apologize than to protest. Crowds gathered in the streets and by one o'clock the officials felt that they must act to prevent further trouble. They sounded the town fire alarm like a revolutionary tocsin. They put in a riot call for all the State Police on the peninsula.

Then the chief of police himself fired from the windows of the City Hall into the crowd that had gathered outside. Once only—"for fear of hurting some of the whites." But he was an excellent shot. Once was enough. His victim was another young Negro boy, who has a fair chance of living, but little chance of ever using his legs again.

Now both of these boys were born and bred in Snow Hill and the townspeople profess great affection for their "own" Negroes. The reaction was appropriately mixed. As one old man put it to me, "There wasn't a thing in the world against those two boys. Just too bad it had to be them."

"Had to be?" I asked, a little naïvely.

"Oh, sure. Bound to be some trouble clearing *them* out. Always is, and looks like it gets worse every year. But it does seem like it could have been fixed so's *they* got the brunt of it, 'stead of our boys."

That night and the next day arrests were made and some thirty of the "ringleaders" were jailed and fined. Those who could afford to pay up went free after a few days. The others were given eighteen-month sentences in the state penitentiary. The charge is not quite clear. At one time the Snow Hill jail was embarrassed by the presence of a nine-year-old Negro boy, "guilty" of having been with Frank Bishop when he was shot; too young to be sent to the penitentiary and too pert to be intimidated into silence.

All of those jailed were local boys. The "outsiders" were not urged to stay, even behind bars. The mayor issued his proclamation at once. All Negroes who did not have a permanent home or steady employment in Snow Hill were ordered out. The exodus was completed in about forty-eight hours.

There were a few formalities in connection with the murder of Bishop. His mother, down from Baltimore for the funeral, asked to be allowed to go to the inquest. She was assured that she would be admitted and told when to appear. But although she arrived well ahead of the appointed hour, Mrs. Bishop was just too late. The proceedings were over a little ahead of

Washington Notes

From Oliphant to Hanes

THE FIRST ROUND of the intra-administration battle-royal belongs to the New Dealers. "New Dealers," however, has become an empty phrase, since the fighters on both sides are Mr. Roosevelt's trusted aides. The winners of the round were the White House group that does not want to see the administration's reforms tampered with, and weakened, to meet the whims of business. They are the non-appeasers.

It is not yet time for hat-tossing. Although the non-appeasers have drawn first blood, they have not won the fight. Their success has been due largely to chance. The two issues uppermost in the last few days have been the grant of an additional $150,000,000 to the WPA and the revision of business taxes. The appeasers, led by Mr. Morgenthau, offered no resistance to the WPA appropriation. Friends of Mr. Morgenthau, indeed, took pains to emphasize that—no matter how angrily he had fought the WPA's accounting methods in the past—he had always supported the WPA program.

Discussions are still continuing, as these Notes are written, on tax revision. At one of his press conferences, Mr. Roosevelt showed—or seemed to show—stony dislike of the tax-revision schemes so far submitted to him. The non-appeasers joyously interpreted this as a defeat for Mr. Morgenthau. The fact is, however, that various so-called nuisance taxes expire next June, and a tax bill of some sort must be passed in the present session. Mr. Pat Harrison and other wild-eyed conservatives in the Senate will bring in amendments for lighter corporation and capital-gains taxes. They may even press for the complete abolition of the capital-gains tax. Such amendments, going far beyond anything that Mr. Morgenthau and his fellow appeasers want, may very well be approved by Congress. Tax revision does not need Mr. Roosevelt's help to win. It will win unless he actively opposes it.

From a human standpoint, the most interesting part of this intra-administration quarrel is Mr. Morgenthau's suddenly attained stature. Mr. Hopkins has gathered up his supposed presidential ambitions and quietly stolen away. As this department predicted, so long as Mr. Roosevelt's position remains unclear, Mr. Hopkins is speechless. Mr. Morgenthau has become the administration's chief appeaser, although he would reject that word with the same scorn that Mr. Roosevelt has shown. It is odd to think that a trifle more than a year ago Mr. Morgenthau was fighting savagely to prevent a change in the undistributed-profits tax—the tax with the clearest social objective of any levied by the New Deal. Mr. Joe Kennedy, the present ambassador to London, and, for a brief time, young Mr. James Roosevelt, were then the tax revisers and the friends of business; Mr. Morgenthau was business's bogey man.

In those days, however, the creative brains of the Treasury belonged to the late gentle, smiling, sad-eyed Herman Oliphant, who devised the undistributed-profits tax in the

Nowadays the strongest personality in the Treasury—next to Mr. Morgenthau—is Mr. Johnny Hanes, whose family estate, derived from tobacco, was of such size that he became a member of a stock-exchange house in order to liquidate and reinvest it. Mr. Hanes, however, is no tame capitalist on the order, for example, of Mr. W. Averill Harriman, president of the Union Pacific. Mr. Harriman is a business man who is merely friendly to the New Deal; Mr. Hanes flames with a missionary's zeal, although it is sometimes not clear whether business or the New Deal represents darkest Africa. Mr. Morgenthau's present attitude towards appeasement, however, cannot be laid to Mr. Hanes's influence. On good authority, it may be said that Mr. Morgenthau has been profoundly moved by events in Europe. He believes that the world is entering a period of crisis, during which it will be of the highest importance to have good feeling and unity within the United States.

Despite the fact that they have won the first round, the non-appeasers in the White House circle—as was suggested earlier—are in a weak position. Mr. Morgenthau and his cohorts have a slogan and program, which is to help business. The non-appeasers say that business, by itself, cannot bring about recovery, at least not in the near future nor to a degree sufficient to absorb the unemployed. Probably they are right. But they themselves have no counter-program. A year ago this same White House group was full of plans: for the rehabilitation of the railroads by leasing them equipment manufactured on government order; for the rescue of the electric utilities by subscribing their capital stock, for the financing of small and medium-sized businesses through government-created banks with power to make intermediate-term loans. Apparently all such plans have been shelved. Recently this department pointed out that if so simple a measure as a new PWA program, which would carry over into the election year, 1940, was to be adopted, it should be proposed almost at once. Otherwise it will be filibustered to death by Senators Harrison, Byrnes and their economy-mad associates.

The truth seems to be that—until Mr. Morgenthau started his appeasement drive—the intellectual interest of the ablest White House advisers was absorbed by the monopoly investigation. Out of it may easily come a program that will cut deeper than anything the New Deal has so far contemplated, by undertaking to break up price controls in industry, or, in the case of such closely articulated industries as steel, imposing government regulation. Some experts profess to think that the work being done by Mr. Leon Henderson and the TNEC's staff on the imbalance of prices is far ahead of economic thinking anywhere else in the world, and will form the base on which a new, more realistic political regime can be built. But these distant, if gigantic, plans cannot be used to beat off the appeasers.

At Mr. Roosevelt's request, the $150,000,000 WPA bill is being chaperoned by Mr. Edward Albert Thomas, chairman of the full Appropriations Committee, instead of the tight-fisted Mr. Woodrum, head of the subcommittee before which relief bills usually pass. Mr. Thomas will be eighty-one in June, and is far spryer than you and I will be at that age. With justifiable pride, he will tell you how, after twelve years' service in the Colorado state senate, his district

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That was in 1909. Instead of rounding off his career, he began a new one, and has been in Congress for thirty years without a break. Since the beginning of the republic, he says, only eight other men have won fifteen straight elections to the House. One of the eight is Vice President Garner. If his service as state senator is counted, Mr. Taylor has been attending legislatures without interruption for forty-three years.

Washington T. R. B.

Other People's Money

The Stock Exchanges' New Plan

IT WAS INEVITABLE when appeasement became the order of the day that the good old Stock Exchange would want to be appeased. And, of course, it was equally inevitable that the one thing which would appease it would be to take the lid off its one reliable old extracting forceps—the right to manipulate. But apparently Chairman Douglas of the SEC is the least gullible of souls and he has no intention of throwing any of that sort of appeasement to the brokers.

There is nothing very complicated about the stock exchanges if they can be stripped of the high-flown pretensions and the fancy language in which they cloak their real character. As markets for securities they are a perfectly defensible instrument of the capitalist system. But the Stock Exchange was, before 1934, only incidentally a market for securities. It was chiefly a huge gambling arena or casino. And the essential instruments of this gambling were quite few. One of them was short selling; another margin trading; another manipulative practices. The chief operators of these instruments were the floor brokers, the specialists and the pool operators, some of whom were outsiders.

It has been difficult to conduct manipulative operations in the market since Mr. Douglas became chairman of the SEC. As a result the going has been very difficult for the boys who used to make the big money in the market. But now signs of the "turn to the right" are in the air. And remember, the Stock Exchange has a representative on the very inside in Washington. He is the Undersecretary of the Treasury and is the financial adviser of the administration. He is also the leader of the appeasement movement and holds besides, I understand, the distinction of being the creator of the powerful legend which Mr. Morgenthau is distributing on blue cards reading "Does it contribute to recovery?" This is Mr. John W. Hanes, a former Stock Exchange broker and investment banker. It was very natural, therefore, that the Stock Exchange, leading some sixteen others in the country, would come forward with a plan.

Of course it is such an innocent and such a highly "constructive" plan. It is based upon the theory that the administration, while it wishes to protect the investor, certainly does not want to hurt legitimate business. It merely wishes to loosen up some of the rigors of the SEC act so that, while retaining all of its protective features, the legitimate investor will be given a chance [illegible] of the day were wasted. When Douglas came on the scene

proposal of the plan. The SEC act, Section 9(a), 2, provides as follows:

> It shall be unlawful for any person, directly or indirectly to effect, alone or with one or more other persons, a series of transactions in any security registered on a national securities exchange creating actual or apparent active trading in such security or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

Now the exchanges merely want a slight change in this section. In fact they want it retained, but they want some words added to it. Here is what they want. They want the section to stand as it is, declaring that it shall be unlawful for one or more persons to engage in a series of transactions creating actual or apparent trading in order to raise or depress prices of securities to induce others to buy "*in contravention of such rules and regulations as may be prescribed by the Commission as necessary or appropriate in the public interest or for the protection of investors.*"

Now what will that mean? It will mean that it will be unlawful to carry on manipulative transactions if they violate rules made by the Commission. If there are no commission rules then such transactions will not be unlawful. In other words this adroit amendment will have the effect of repealing the law against manipulation and substituting instead a law giving the Commission the right to make rules regulating it. If the Commission is friendly then manipulation will go on.

Now why do the exchanges want this? They wish it because they want to bring back the practice of pegging stock prices and sponsoring them. They say so openly. They do not call it pegging. They call it "stabilizing." They insist that corporation managers or bankers should have the right to put a price on securities which they sponsor and then conduct operations to stabilize the price—that is, keep it at the figure that they think is proper. In one breath we are told by the exchange people that the stock exchange is a great free market and that the SEC is in great danger of impairing its freedom, and in the next they want the SEC act repealed in order to enable bankers and corporation executives to eliminate the element of freedom from the market by managing the prices of their stocks.

Of course it was by managing prices, stabilizing shares at prices which fitted in with their plans, that the bankers and promoters unloaded billions of dollars' worth of shares on the public. They want that back.

But even if we take the exchanges' assurances at par, if this section of the SEC act is amended as the exchanges wish, it means the greatest step taken to eviscerate it since the act was passed.

This is the method that was used, when the law was first proposed, in order to weaken it. In the act as originally written various financial abuses were forbidden outright. But when the Treasury Department got through with the act, these prohibitions had added to them the words, "if they contravene rules made by the Commission," thus leaving things as they were unless the Commission made rules. The Commission under Joseph Kennedy and James Landis made no rules for two years. Thus those precious two years for reforming Wall Street when reform was the order

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Eisenstein's Resurgence

ON MARCH 17, 1937, the Central Administration of the Photo-Cinema Industry in the USSR stopped the production of a much talked-of and eagerly awaited film—"Bezhin Meadow"—on which Sergey Eisenstein, the director of "HMS Potemkin" fame, had been working for over two years and into which Sosfilm had sunk many hundreds of thousands of rubles. The film dealt with collectization in the village, and revolved around the sensational case of Pavlik Morozov, the little Pioneer who exposed the wrecking, anti-Soviet activities of his kulak father and was killed by him.

The news caused a flurry among intellectuals in Moscow. And the American correspondents, pouncing on this episode, hurriedly reported Eisenstein's virtual annihilation by the Soviets—he had fallen "out of grace," been "driven into retirement" and was "heading toward oblivion."

Now, without any warning, the American reader is informed by the same press that Eisenstein is "in official favor," that he has just completed a "motion-picture masterpiece," "Alexander Nevsky,"[1] which is meeting with tremendous popular approval, and that Stalin himself, at a preview in the Kremlin, slapped Eisenstein on the back and called him "a good Bolshevik." What's more, Eisenstein, according to the latest reports, has just received the highest honor in the Soviet Union—the Order of Lenin.

This sudden shift in Eisenstein's fortunes is bound to appear puzzling to the unprepared reader. That a man in disgrace and forced retirement has managed to produce a major film involving the collaboration of hundreds of people and the expenditure of vast sums of money, money obtained from a government which had just taken special delight in destroying him, is hard to believe. It is a mystery as dark as that surrounding the analogous cases of the composer Shostakovich, the theatrical directors Meyerhold and Tairov, the poets Demian Biedny and Bezymensky and Pasternak and Selvinsky, who at different times within the last two years had also been reported as virtually "liquidated," but who, it now turns out, are actually very much alive both as men and as artists. Indeed, since the "liquidations," Shostakovich has written what are regarded by most critics as his best symphony (the Sixth) and string quartette, a wealth of magnificent cinema music and the score for an opera, not yet finished; Meyerhold is engaged in the production of two operas; Tairov is still heading his Kamerny Theatre, still producing, and still being criticized; Biedny, Bezymensky, Pasternak and Selvinsky are still creating and publishing and prospering; and now Eisenstein, too, is again occupying the position of "the Soviets' foremost motion-picture director."

All these cases have the same features—to explain one is to explain them all. The first point to stress is this: even at the height of the attack against Eisenstein in the Soviet press, there was never, all American reports to the contrary notwithstanding, the slightest suggestion of any intention on the part of anyone anywhere to "drive him into retirement," to "liquidate" him as an artist or "to force him into oblivion." The attack came from his professional peers; it was a part of the bitter esthetic controversy over formalism, naturalism and socialist realism, and a characteristic manifestation of the clash of cultural values in a period of intense revolutionary acceleration.

I was, I believe, the only foreign correspondent in Moscow who saw the uncompleted film (at a showing before students from the Film Institute and the Film Academy, and representatives from factories, farms, newspapers and other institutions) and was present at a special conference, lasting three days, at which all the motion-picture directors, managers, cameramen, actors, scenario writers and critics in the city, including, of course, Eisenstein, participated in a most exhaustive discussion of the case. The spirit of the discusion, though a little overaustere, appeared on the whole rather fair and comradely. As in the Soviet press, Eisenstein was chided for having undertaken something for which he had been utterly unprepared. He did not know the village. His long stay abroad during the very years that the struggle for collectivization was raging made him unfit to interpret the process realistically. His conception of the social forces involved was fundamentally fallacious and resulted in a series of wrong emphases, absurd characterizations and fantastic actions.

Instead of learning from life, Eisenstein, it was argued, resorted to far-fetched symbolism, didacticism, schematization, scholastic profundities and "harmful formalistic exercises." His peasants did not look like contemporary Soviet peasants, but like Biblical characters stepped out of a medieval painting—even the Communists! The central character, the patriotic Pioneer, was given in luminously pale tones, with the face of a consecrated Holy Child. To emphasize this quality of "other-worldliness," this child, in a white shirt, was on several occasions so placed in relation to the light as actually to radiate a halo. The photography and composition, everybody admitted, were superb. As sheer picture, the film, it was suggested, merited a place in a museum where it could be studied with profit by the best of motion-picture craftsmen. But to show it before politically educated audiences familiar with the realities in the village would be unfair, unfair even to Eisenstein himself. (Judging by the reaction of the audience of students, factory and farm representatives, journalists and the like at the showing at which I was present, I am convinced that it was much better for Eisenstein's reputation that the production of the film was stopped—there were loud peals of laughter during presumably the most tragic parts; the characters and their actions seemed so incongruous. Eisenstein sat near me, and he looked extremely pained.)

Eisenstein was also criticized personally for his overweening conceit, his secretiveness (for months he had absolutely refused to show what he was doing to anybody in the industry), his unwillingness to recognize the accomplishment or take the advice of colleagues, his inability to cooperate with others, his lack of interest in human beings, and, above all, his aloofness from Soviet reality and the tremendous projects going on all about him.

The spirit of the conference was, I think, most effectively expressed by director D. Marain. After a detailed and dispassionate analysis of Eisenstein's creative career, Marain turned to him and said:

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things: only by starting with man, for man and in the name of man, is it possible to work in our art. Uproot the last vestiges of formalism from your consciousness, create a loved image of the revolution, show the marvelous people of our epoch, learn to love them with a joyous love, and then you will find yourself on a solid path, and then the banner of revolutionary art which you let slip from your hands will be yours once more.

Eisenstein agreed with many of the criticisms. He admitted having been possessed by the intellectual's illusion that revolutionary work could be done individually, in segregation from the collective. "Fame came early to me," he said. "I thought I could bear it gracefully, but it turned out I couldn't. I overestimated myself and that was my major error."

Shortly afterwards, Eisenstein went to the country to rest and to reëxamine his past and make plans for the future. (He never knew he had been liquidated.) When he came back, he immediately went to work. His colleagues provided the encouragement; the government the money; the press the advance publicity. The result is a picture which all the critics in the Soviet Union are acclaiming as a masterpiece. Without having lost any of his formal excellence, Eisenstein in this picture, judging by the comments in the Soviet press, has achieved warmth and humanity and a simplicity verging on grandeur. The faults that had been gnawing at the vitals of his art he seems to have transcended. The severe critical drubbing he received seems to have done him some good. JOSHUA KUNITZ

The Bandwagon

In the British view there is no need for events in Central Europe to impair anyone's confidence, except perhaps in the intentions of the German government towards non-German peoples beyond the Reich's frontiers. – *From a London dispatch in The New York Times.*

I venture to predict that nothing could so break down public morale and either drive us to war or the conclusion of an unsatisfactory peace, as the stoppage of the public's morning cup of coffee. – *A high-ranking naval official, quoted in an advertisement in Collier's Weekly.*

Perhaps the gravest news is that the Prague correspondent of a British news agency professed tonight to have received a cable from headquarters to "hold down all Slovak news or there will be danger of another peace action by Prime Minister Chamberlain." Under this threat Prague may perhaps find its way to still further concessions. – *From a Prague dispatch in The New York Times.*

Nothing Ever Happens in California

No adequate theory for the cause of the slide [of land in California] was advanced, since it started before recent rains broke a three weeks' dry spell, and no earthquake had been recorded here in more than two weeks. – *Associated Press dispatch from Gilroy, California, published in*

The Longest Way Round

With the Spanish civil war virtually at an end, France and Britain sought today to insure democratic influence on the new Spain by recognizing the government of General Francisco Franco. – *From a news dispatch in The New York Post.*

Daddy's Gone A-Hunting

Every effort should be made to accustom babies to the [gas] helmets now, officials say. They suggest that mothers play "peek-a-boo" through the mica windows of the helmets. – *Ferdinand Kuhn's dispatch in The New York Times describing British civilian-defense measures.*

Like Sarong Bernhardt?

"To tell you the truth," she said, "I don't like to wear my sarong even in pictures any more, but I have to. They make me. I want to do dramatic work." – *From an interview with Dorothy Lamour in The New York Post.*

Our readers are invited to contribute to this column and $1 will be paid for each item used. Address The Bandwagon, care of The New Republic. Please enclose the original clipping. – THE EDITORS

Correspondence

Why the Tories Rule Britain

SIR: There are several important factors in the British political scene which will exert a determining influence on future developments, and which to our knowledge have been ignored or at best underemphasized in the American press. They should give pause to those who see likelihood of a change in British foreign policy resulting from a rise to power of His Majesty's Opposition. The factors are these:

1. The present Labor Party does not contain a single political personality who is capable of waging a dramatic campaign in opposition to the government's foreign policy. Major Attlee, the present leader of the Labor Party in Parliament, is an honest and dutiful intellectual, but as he himself realizes, he lacks the dynamic of a statesman. Herbert Morrison, Socialist chairman of the London County Council, is extremely capable, but as a cockney who got his start in a "white-collar" union, he incurs the suspicion of both the middle class and the manual laborer. Stafford Cripps, the only remaining possibility (who is now in the Labor Party doghouse for Popular Front heresy) undoubtedly lacks the requisite political experience.

2. Even if a political leader were forthcoming, it is questionable whether he would receive vigorous support from the old-line labor leaders who are dominant in the party councils. These leaders, who remember vividly the National Strike and the betrayal of 1931, are trembling in their boots at the very thought of winning a majority in the House of Commons—especially with the realization that the Labor Party would be labeled the "war party" by the Tory press and pulpit.

3. The bitter fight over the Popular Front issue still vitiates the internal unity of the Labor Party. Planted by Left intellectuals such as G. D. H. Cole, A. D. Lindsay and Stafford

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4. The government holds a trump card in Anthony Eden. Should appeasement fail, as is now probable, Eden is ready at a moment's notice to lead the popular opposition to the Chamberlain policy—and to step into the premiership with Chamberlain's blessings. Eden is popular as a personality, he has a following in America, he is detested by both Hitler and Mussolini, and on questions other than foreign policy he goes down the line with Chamberlain.

In other words, the Tories hold both whips, Labor holds neither. There is no effective extra-Tory opposition in British politics today, and there is little probability that such will develop.

KERMIT GORDON
STEPHEN K. BAILEY
University College, Oxford, Eng. HARLAN CLEVELAND

Miles per Gallon

SIR: I read Mr. Dewey H. Palmer's recent New Republic article about "Automobiles in 1939." He tells about a test of automobile mileage last year with these results: Ford Sixty, 23 miles to the gallon; Nash, 18.9; Dodge, 16.9; etc. My suspicion is that those were specially prepared cars, or that the figures were doctored. I have been driving a car for twenty years, and have had the following sedans: Dodge, Nash, Buick and two Fords. I kept records on a ten-thousand-mile tour at high speeds, and for many months at ordinary speeds in and about cities. I have gone to the dealers and registered many kicks, had many repairs and adjustments made, and even had the Nash people send a man with me to see how I drove and if there was anything wrong; there wasn't. I have never during twenty years been able to get better than fourteen miles to the gallon out of any car, and in some cases had to get along with thirteen.

Let us hear from some of your other readers, and get rid of a piece of advertising bunk.

Pasadena, Calif. UPTON SINCLAIR

SIR: Mr. Sinclair's letter illustrates one of the major difficulties in drawing conclusions as to what gasoline mileage will be obtained by any given driver for a particular make of car. For cars within a rather wide range of size and engine power, driving methods will affect the mileage much more than differences in engine and car design. Speed, for example, is an especially important factor—a car driven at 30 m.p.h. will travel about twice as far on the same amount of gasoline as when driven 70 m.p.h. Other factors which have a significant effect upon gasoline economy are starting techniques employed by the driver, the kind of oil used in the engine and the nature and condition of the roads.

In a study cited by Mr. Crooks and myself in "Millions on Wheels," the gas mileage obtained by forty-five drivers operating like models of the same make of car over a period of one month ranged all the way from 13.9 miles per gallon to 23.4 miles per gallon.

The figures I gave in the survey of 1939 cars represented, as stated, a reduction of 20 percent below the official figures issued by the American Automobile Association in connection with the Gilmore-Yosemite Economy Run which the Association supervised. These corrected figures correspond fairly well to actual mileage data which automobile owners have reported to Consumers' Union. I have no reason to believe that the original figures were doctored. The high mileages obtained in the Gilmore Run can be explained by the fact that the cars were operated by expert drivers, engines were in perfect operating condition, and the speed was limited.

The American Automobile Association has just released fig-

	Miles per Gallon
Overland	26.21
Studebaker Commander (with overdrive)	25.78
Ford 85	24.57
Hudson 112	24.38
Mercury	23.83
Chevrolet	23.30
Plymouth	22.79
Hudson 6	22.31
Packard 6 (with overdrive)	21.99
Pontiac Quality 6	21.84
Oldsmobile 60	21.40
Dodge Special	20.97
Chrysler	20.03

The length of the course traveled was 314.5 miles and the run had to be completed in eleven hours' time, that is, the cars must have completed the run at an average speed of 26.59 m.p.h. or more to qualify. Owing to bad road and weather conditions, several of the cars, including the Plymouth, Hudson 112, Ford 85, Chevrolet, Pontiac Quality 6, Dodge Special, Hudson 6 and Mercury were disqualified because they did not complete the run in the stipulated time.

Reducing these mileages by about 20 percent will give figures which are more nearly in line with what the average driver might expect to get under ordinary driving conditions with the motor in good operating condition.

New York City D. H. PALMER

From The New Republic Mail Bag

The New Republic contributors' list for March 8 said that Harvard University had announced that Granville Hicks's "appointment as resident adviser in the English department will not be renewed for next year." A. M. Schlesinger of the Harvard Department of History, Cambridge, Massachusetts, writes: "This statement carries an implication unfair to both Mr. Hicks and to Harvard University. The facts are these: Mr. Hicks and six other men were appointed to serve for one year as 'Counselors in American History' (without departmental connections of any kind) to guide undergraduates in voluntary extra-curricular reading in American history and American literature. Their term of appointment expires at the close of the present academic year; and in accordance with the original plan, seven other men are to take their places next year."

Henry B. Sell, president of Vitamin Plus, Inc., calls the attention of T. Swann Harding (whose letter was summarized in this column, March 15) to the February issue of Preventive Medicine, the journal of the New York Academy of Medicine. It contained an article by Dr. Irving S. Wright which included a statement that many people lack the proper vitamins in their diet. . . . Mrs. Henry Goddard Leach, vice-chairman of the Committee for Impartial Civilian Relief in Spain (serving at the request of the President of the United States), 149 Broadway, New York City, appeals for funds. The money is to be distributed impartially by the Society of Friends. Checks should be made payable to Clarence E. Pickett.

David Beardsley, executive secretary of Commonwealth College, Mena, Arkansas, announces the resumption of resident classes, Monday, April 3. Arrangements are being made for a capacity student body of sixty for this, the college's fifteenth year. Courses are offered in union methods, political economy, current history, labor drama, parliamentary law, etc. Each student does twenty hours of industrial work every week. A $60 fee covers his tuition, room, board and laundry service for the

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Books in Review

The Twentieth-Century Dream

ONE OF THE MOST STRIKING phenomena in Washington these days is the profusion of world-savers waiting in department anterooms, their briefcases bulging with statistics, their minds aflame with various optimistic schemes for dredging the mud out of the channels of world finance and trade. The solutions range from simple plans for redeeming defaulted foreign bonds to grandiose outlines for autarchy in the western hemisphere. Most of the plans have some merit; at the very least they recognize, as Congress does not, that we are at a turning point in world history. Capital is either going to be exported and put to work in the undeveloped outlands after its long sick-leave, or else what remains of a free international system is going to be drowned in our own monetary liquidity.

Personally, I am not one of the hopeful ones; it takes more than an act of faith for me to see American investors plowing money into Brazil or Chile and waiting years for a return that must be taken in goods if it is ever to be taken at all. International capitalism may have been valid thirty years ago, but today it seems unable to cope with even such a simple thing as the fecundity of the earth, which persistently results in too much cotton or too much wheat. The classical free traders are always remarking that depression is *caused* by tariffs and quotas and exchange controls; but it is just as arguable that the "free" working of the trade cycle causes and necessitates the restrictions. Treating effects as causes may result in temporary balm, but it can hardly result in a continued level of prosperity. International capitalism might indeed gain a brief Indian summer from a world currency accord and a general lowering of trade barriers, but what international capitalism really needs for permanent redemption is a police power sufficiently strong to beat the recalcitrant or the chiseling nations into line. In the nineteenth century the police power, the "muscle," was intermittently supplied by Tommy Atkins and the Queen's Navee; today no one is in a position to supply the power. With the decentralization of the industrial revolution there went a corresponding decentralization of control; the result is apparent in the turbulent efforts of Russians, Japanese, Germans, Ottawa conferees and Pan-American unionists to put the world together again on a regional instead of an "international" basis.

But the nineteenth-century dream dies hard. Maybe it is not dying at all; maybe it is just going to sleep for a generation or two. Whether Clarence Streit, formerly the Geneva correspondent of The New York Times, has written its epitaph or its twenty-first-century charter of liberties in his "Union Now: A Proposal for a Federal Union of the Leading Democracies"[1] is not for any of us to say, for we will probably not live to see the answer. But Mr. Streit has at least done this: he has shown us why the Geneva system was bound to fail and what sort of system must replace it if the nineteenth-century dream of free world capitalism is ever to become a reality.

The reason for the League failure resided in its lack of any of the arms of social and economic sovereignty; it had no binding law, no currency, no police power. When Mr. Streit went to Geneva he was inclined to put his trust in voluntary "coöperation," but he remained to watch the nations playing the ancient game of alliance and counter-alliance around the green-baize tables with much the same results as in the days of secret envoys and high intrigue. And slowly it dawned on him that no League could ever succeed. To document his hunch he went back to 1787, when thirteen sovereign states along our Atlantic seaboard were banded together in a "league of friendship." The analogy to the Geneva League seemed pat: Connecticut was howling because the Grundys and the Hawleys and the Smoots of New York were discriminating against its firewood, and New Jersey was bitter because of a tariff on every pound of butter that crossed the Hudson to Manhattan Island. None of the currencies of the thirteen states was properly "aligned"; some were depreciated, some were worthless, and the rest resulted in price levels that were prohibitive. With trade coming to a standstill and with the old Continental public debt falling in value, the "visionaries" of that revolutionary age got busy with a call to the convention that was to result in the Constitution of the United States. Although they went to Philadelphia ostensibly to tighten up the old Articles of Confederation (for a modern analogy picture Neville Chamberlain and Cordell Hull and Daladier going to Geneva to patch up "collective security"), the "visionaries" remained to create a union. The thirteen states were allowed to keep some of their rights, but in general the freedom of the local political unit was relinquished in favor of the larger freedom of the individual, who received the blessings of a union citizenship, a union defense force, a customs-free economy ("the largest free-trade area in the world"), a federal currency and a federal communications system.

To Mr. Streit the argument of Philadelphia is unanswerable: a union can succeed where a league must by its very nature fall apart. In a union it is the free citizen who is the unit; in a league the state remains the unit, which means that inequality prevails and the vicious game of balancing the power must continue if the smaller units are to find even momentary safety against the selfishness of the larger. Instead of bringing "international" accord, a league actually fosters the very nationalism which it is intended to allay.

Mr. Streit's "panacea"—for such it must surely remain for years to come—is to create a union of fifteen "founder" democracies, including the United States, the United Kingdom, Canada, Australia, New Zealand, South Africa, Ireland, France, Belgium, Holland, Switzerland, Finland and the Scandinavian countries. Divided though they may be by

[1] Union Now: A Proposal for a Federal Union of the Leading Democracies, by Clarence Streit. New York: Harper and Brothers.

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nominators of law and custom; they have all been touched to some extent by the libertarian ideas which were released by the French Revolution. The details of representation in Senate and House would lead to preliminary squabbles, but these would not, in Mr. Streit's estimation, remain insuperable. And the combined economic power of the fifteen founder democracies and their colonies would be such that neither Soviet Russia nor the three Axis nations would dare to wage war. The "union," as Mr. Streit points out, would have 96 percent of the world's nickel, 95 percent of the rubber, 73 percent of the iron ore, etc., etc. The Triangle of Autocracy would, on the other hand, be left with a surplusage of only two things: potash and raw silk. And the du Ponts are getting ready to put the silk worm out of business with their synthetic nylon.

Mr. Streit's book is logically impeccable; a union of the democratic nations would be vastly preferable to the qualified anarchy that now rules the world. But the analogy to 1787 is not so pat as Mr. Streit seems to think. In the days of Alexander Hamilton a powerful and largely homogeneous capitalist class interest was behind the move for funding and revalidating the Continental public debt; today there is no such thing as a united international capitalist class. It would be to the demonstrable interest of Detroit to open the European and colonial markets to Chevrolets and Plymouths; but to the British high-cost automobile manufacturer the desirability of a world free-trade area is not so readily apparent. Western agriculturists would be glad to see the French import-quota system go; but to the French peasant on his stony acres "freedom" to compete against overseas lushness is nothing less than a monster threatening to proletarianize him. Special interests everywhere are more powerful in effect than any "general welfare," and I cannot for the life of me see where Mr. Streit is going to recruit his modern Madisons and Hamiltons and Jays.

Nor would a union of the democracies *necessarily* result in lowered prices and maximized production: the international cartel would still have to be dealt with, and the class war would still rage unless there was an at least reasonably equitable division of opportunity to get at the means and materials of production. The "200 families" and the "60 families" would be no less stultifying by becoming the 260 families. A merger of Wall Street and Threadneedle Street would presumably result in even higher interest charges to the back-country districts, for has it not been said that in union (even a union of money-lenders) there is strength? And the cries of the International Union League Club would assuredly ring with a super-shrillness when the super-government taxed the rich of England and the United States to rehabilitate the "heathen" along the Norwegian coast or in the Union colony of Nigeria.

Mr. Streit, however, is not a perfectionist, even though he is dreaming of perfection. He will be satisfied if he can get the ball of discussion rolling. And he has done one thing for which nationalists and real internationalists can alike be grateful: he has taken the play away from the sterile mumbo-jumboists of such organizations as the Carnegie Foundation, who use "internationalism" as a euphemism for an Anglo-American power politics that promises nothing to the common man anywhere

The Writing Game

Wickford Point, by John P. Marquand. Boston: Little, Brown and Company. $2.75.

IF YOU THINK you've already read this story in The Saturday Evening Post, you'd better take a look at the book. Those old Post editors are mighty scared of their readers, and they did a lot of cutting. The bowdlerized version of "Wickford Point" that The Post printed was 80,000 words shorter, and left out one of the principal characters because she was the hero's mistress.

To anyone who cares about the present estate of the novel, "Wickford Point" will be an interesting book. By the cockeyed laws of publishing, it is bound to sell widely—its immediate predecessor, "The Late George Apley," won last year's Pulitzer Prize, and its author is an old hand at his trade. But he intended this book to be more than just another best seller. In a way, this is Mr. Marquand blowing the gaff on his profession.

The framework of the story is based on the inevitable magazine-fiction formula—boy understands girl (or you think he does); there is "conflict" (or seems to be); the right boy and the right girl end in each other's arms (or almost). Within this custom-worn pattern, and by manipulating it with an ingenuity that at times suggests desperation, Mr. Marquand tells about the Brills of Wickford Point—an old, worn-out New England family who are proud, peculiar and no damn good. Mr. Marquand goes through the motions of sprinkling satirical salt all over the Brills' tails, but he never catches one of them. And in spite of all his protestations that they are a sad, bad lot, you are left with the impression that the narrator (who is certainly of close kin to Mr. Marquand) is snobbishly proud of being related to them.

In this narrator-hero, Jim Calder, Mr. Marquand comes right down to cases. By trade Jim Calder is a fiction writer; he and his colleague, Joe Stowe, belong to the chip-on-the-shoulder school of commercial writers. Successful, embittered, scarred veterans of the "pulps" and the "slicks," they hardly let a day go by without announcing that they are not in this racket for their health. (Inside, all the time, they are thinking about the Great—Tolstoy and Galsworthy and Robert Louis Stevenson.) They pretend not to care that they are never taken seriously by the critics, and they pretend that there is no difference between them and the writers who get good reviews—except that such writers, being obviously less successful than themselves, are, by the same token, more phony.

Mr. Marquand's Jim Calder has some interesting things to say about "the writing game." Of his friend, Joe Stowe, who is getting so damn good that even the critics have begun to notice him, he remarks: "You might have thought he was ashamed of that ability of his, for he had spent most of his life trying to hide it." Of the characters he "created" and the readers he wrote for: "Those rather bloodless people we created were all compelled to fall into a formulated pattern. Their manners and appetites were curbed by the prejudices of uneducated minds. They could not use bad language. It was very, very dangerous for them to practise adultery or seduction. After their moment of conflict, they

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moment of pique, he admits that his public has "the intellectual equipment of a child of twelve."

For magazine fiction, "Wickford Point" is extraordinarily honest; for a serious novel, it is a little pretentious, but it gets by. Mr. Marquand has tried to make the best of both worlds. That half his effort has been censored out of all knowledge, he has only himself to blame. For if he knows anything, he knows the rules of the writing game: he knows the laws of the swineherd editors who feed the public trough.

T. S. MATTHEWS

The Arab Side of the Story

The Arab Awakening: The Story of the Arab National Movement, by George Antonius. Philadelphia: J. B. Lippincott and Company. 471 pages. $3.

TO THE FUTURE HISTORIAN of the Near East this book may prove invaluable. Nowhere else will he find a complete account in English of Arab nationalism from the middle of the last century to the present day. Nowhere else will he find an orderly and thorough presentation of the intrigues and events of the Arab revolt, much of which has been obscured by Lawrence's personalized story. No source —except the unpublished archives of the British government—is richer in the documents of Arab-British wartime negotiations.

A week after the book was published in this country the author left for London to serve as Secretary-General of the Palestine Arab delegation to the British-Arab-Jewish talks. Knowing that he is a political partisan of the majority Arab faction in Palestine, the future historian will look for political distortions, innuendos and misquotations. He will find no distortions, but he will no doubt be annoyed by the impossibility of checking the author's translations from the Arabic. Antonius has written a pioneer research work in popular vein, and has given only his own English translation of important documents which he himself has unearthed.

He makes much of the fact that Commander Hogarth told King Husain early in 1918 that the Balfour Declaration guaranteed "the political and economic freedom" of the Palestine Arabs. This made Zionism palatable to the Arabs, says Mr. Antonius, until the War ended and they found out that all Balfour guaranteed was "civil and religious liberties" of non-Jews. The Hogarth message was delivered verbally to Husain, who jotted it down in Arabic. We are not told the Arab words used by Husain from which Antonius has translated "political and economic freedom," nor do we know how close these words may be to an Arabic version of "civil and religious liberties." Hogarth's own version of what he said is gathering dust along with all the other Arab-British correspondence. Antonius rightly blames the British for deliberately concealing this correspondence while Arabs, Jews and Royal Commissions have debated its contents for twenty years.

The author passes the test of impartiality in his treatment of the genesis and history of the Zionist movement, and he has high praise for Amir Abdullah of Transjordan, a leading opponent of the Mufti. In fact Antonius, to judge by his writings, must have been a moderating influence at the London talks. Although long a close associate of the

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by Leslie J. Harris, Sc.D., D.Sc.
Nutritional Laboratory, University of Cambridge and Medical Research Council.

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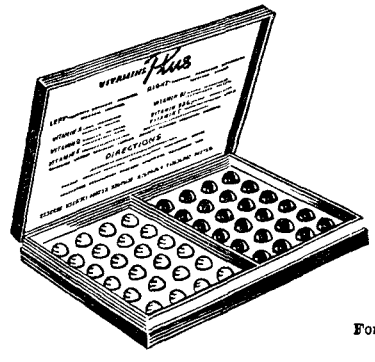

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of the Arab revolt (Antonius denies it), he is not a believer in violence as a method of solving Palestine's problems. "It is not only reprehensible in itself," he writes, "it also renders an understanding between Arabs, British and Jews increasingly difficult of attainment."

Antonius' proposed solution for Palestine is essentially the same as that lately offered by the Arabs in London. It is his contention that if the political and economic freedom of the Arabs is in fact protected, peace will return to the Holy Land. He and the other Arabs in London want an Arab State, which, he writes, "would enable the Jews to have a national home in the spiritual and cultural sense, in which Jewish values could flourish and the Jewish genius have the freest play to seek inspiration in the land of its ancient connection." Antonius does not ignore the physical problem of millions of non-Aryan refugees but, he says, Palestine cannot help. He writes:

> The relief of Jewish distress caused by European persecution must be sought elsewhere than in Palestine, for the country is too small to hold a larger increase of population, and it has already borne more than its fair share. . . . Posterity will not exonerate any country that fails to bear its proper share of the sacrifices needed to alleviate Jewish suffering and distress. . . . The cure for the eviction of Jews from Germany is not to be sought in the eviction of the Arabs from their homeland.

No Arabs have as yet been evicted from Palestine, but large transfers of population were recommended in the report of the Royal Commission, which had not yet been abandoned when this book was written. Mr. Antonius envisions it as an economic necessity if Zionist immigration is allowed to go on unhampered. But he makes only a slight attempt toward describing the economic and social motivations of Arab nationalism, and this oversight leads him to an overfriendly appraisal of the role of British imperialism. These are the chief flaws in a generally excellent pioneer history of Near Eastern politics. J. Z. LURIE

They Lived in Germany

Through Embassy Eyes, by Martha Dodd. New York: Harcourt, Brace and Company. 392 pages. $3.
I Married a German, by Madeleine Kent. New York: Harper and Brothers. 349 pages. $3.
Reaching for the Stars, by Nora Waln. Boston: Little, Brown and Company. 380 pages. $3.

THREE WOMEN have written of their personal experiences in Germany. Each record, in its own way, is a bitter condemnation of fascism and a plea for democracy.

Of the three books, Miss Dodd's is the most interesting. As the American ambassador's daughter, she met Hitler formally and informally, and found an amazing change in him during her four years in Germany. "Not an aging process, for Hitler looks no older than when he seized power. In place of the rather slender body, pale, soft neurotic face, modest bearing, self-conscious social effacement, is a figure whose bearing is insolent and arrogant, with shoulders flung back pompously, who walks and marches as though he had made the earth under his feet and the people around him whom he honors with the fan-

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Vividly, from her vantage point of the embassy, she describes people, events and emotions of her Berlin years; the slow death of German art, the extinction, by death or exile or capitulation to fascism, of the artist, the writer, so that "there was not a really good writer left in Germany, with the exception of the rather talented Fallada and the aged Hauptmann." We meet Hanfstaengl, the buffoon; the sinister Diels, chief of the dreaded Secret Police, whose very presence in a room made people uncomfortable; the late Thomas Wolfe, who tried hard to find something good in the Nazi regime, but couldn't; and the pained protocols, those Emily Posts of the embassies, whose horror was genuine when the Dodds failed to curtsey to her Imperial Highness, the Crown Princess of Prussia, at a "royal" function.

In a five-page chapter entitled "Torture," Miss Dodd packs the agony of a few of the many hundred thousands who suffered from Nazi "cultivated sadism" and mass perversion in concentration camps. She writes not from hearsay but from the stories of personal friends who miraculously lived through their prison terms, or escaped from the camps. For pure horror this chapter exceeds even the goriest passages of Edgar Allan Poe. It ends, "I suppose only in the most savage tribes of the darkest primitivism and in the worst years of the Inquisition under Torquemada can a parallel be found to Hitler's terror."

Miss Dodd sounds a note of warning, advising us that instead of sitting back and contemplating Hitler's regime with horror, we should look into our own State Department for men in high ranking position, "who are sympathetic to foreign political systems and give their friends, relatives and subordinates support and encouragement abroad."

Madeleine Kent's book is more harrowing and emotional than Miss Dodd's. It is the true adventure story of an English girl who in 1931 gave up her British citizenship to marry a German Socialist, of her life in a Dresden Socialist settlement, their furtive harassed years of being questioned by political police, hounded, brought to trial. Miss Kent does not hesitate to blame the Socialists among whom she lived for their vacillating weakness at the time when Hitler's men could have been crushed by even a small show of strength. She blames the various labor parties, each fighting toward its own end, for realizing too late that a united front among them might have crushed fascism. She says, "Had they [the Nazis] ever met real opposition in those early days while they were still untrained and undisciplined, it is more than likely that they would have turned tail. It was because they were so unsure of themselves that they went on flogging the dead horse of Marxism with a frenzy that was largely compounded of blind animal terror."

"The stolid, honest, plain-thinking German," whom we have been taught to cherish is, according to Miss Waln, a myth of foreign origin. "No typical German sees himself as anything so simple. He sees himself as a wily Siegfried, entrapping his enemies by cunning as much as by brute force. He is as old as the dawn of German history and as young as his own childhood, from which he lacks the will to emerge."

Miss Kent's only spiritual, intellectual and financial solace under the Nazis came when she was sought out surreptitiously in 1935 to tutor [illegible]

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with a sense of breathless relief that we depart, on page 345, after heart-rending passport difficulties, with Madeleine Kent and her husband back across the channel to England.

Nora Waln, the American Quaker, went neither as an ambassador's daughter nor as a Socialist's wife into Nazi Germany, but with her American husband, who was to study music in the Rhine Valley, in Dresden and throughout Saxony and the Black Forest. She writes with Quaker calm of the beauties still to be found in Germany, of the gentle, peace-loving peasants, to whom National Socialism is merely an unintelligible name, who blindly follow the Führer because it is their instinct and heritage to obey.

Perhaps because of her calm detachment, the brutality and persecution Miss Waln describes have added force. She tempers them with village tales of the baby-kissing side of Hitler's complex nature, of peasant weddings and the rustic joys of Rhineland inns, of music, which is the hardest of all the arts to kill in Germany. She found a rising thirst for knowledge in the German youths she encountered, a doubt and questioning that won't be stilled by propaganda. She has, like the other two authors, hope in the final triumph of civilization even in Germany. MILDRED GILMAN

Nationalism in the Ballet

Blast at Ballet: A Corrective for the American Audience, by Lincoln Kirstein. New York: Lincoln Kirstein. 128 pages. $1.

HERE IS a strong and valuable pamphlet, poisoned, as criticism, by too great zeal. People interested in ballet, music and the arts in general ought to read it. An index to the pusillanimity of the big publishers is the fact that, because of the possibility of a libel suit, it has had to appear at the author's expense.

Kirstein writes with enthusiasm and anger. He packs information into his hundred pages, descriptions of his experience with the American Ballet, reports of contemporary activity among the other American groups, and a survey of the economic situation in the dance and concert world. On this information level alone "Blast at Ballet" is worth ten of the tepid volumes of program notes and gossip for which Haskell and Deakin find ready publishers.

The enthusiasm of the pamphlet derives from Kirstein's belief that dancing is a mature and viable art form for America; that, in his words, "A dancer actively released in his legible freedom, springing in space, is as satisfactory a witness to the irresponsible and indomitable instinct to human liberty as anyone can find." He believes with equal conviction that the only dancing capable of such meaning is classical ballet, as we have it now, with the authority of four centuries behind it and the flexibility requisite for further growth.

His anger springs from a deep resentment at the situation he calls "The Great Conspiracy," the whole involved, ruthlessly capitalistic structure of the concert world which makes the development of young American companies almost impossible. With two giant entertainment monopolies, the Columbia Broadcasting System and the National Broad-

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that dominates American concert business, it is an obligation for dance audiences to read Kirstein's presentation of the set-up and his program and manifesto for altering it. But, since the Ballet Russe is the present darling of these powers, Kirstein, with the interests of his own company understandably at heart, hates the Russians.

In the grip of his anger, he writes bad criticism badly. His evaluation of Russian ballet is hopelessly distorted by his disgust with the forces exploiting it. He feels, for instance, a necessity to attack Massine, although a grudging admiration frequently checks him. The lowest reaches of his emotionalism come when he dismisses "Gaîté Parisienne" and "Seventh Symphony" before he has seen them. In order to attack, he must exalt. And George Balanchine, exalted at Massine's expense, is an unconvincing straw-man.

But it is in one of the fundamental premises of the pamphlet that the greatest danger lies, both emotionally and critically. Kirstein's attitude is blatantly nationalistic; he comes close to seeing all American work as good, all Russian bad. He admits, "We may have to pay for an aggressively nationalistic period at present to offset the recent drag of Russian blackmail, but if so, it will be only a transient and healthy reaction." This is too easy, and it is not the way to encourage American dance. The very international nature of the ballet tradition is the quality that makes it most valuable as a contemporary art form. Specifically, this heady Americanism leads Kirstein to condemn the one artist in ballet of the stature of Picasso, Joyce and Stravinsky. Massine's last ballet was rehearsed in an armory in London a few days before Munich. Crates of ammunition were being loaded and unloaded in the back of the hall. Art was dramatically juxtaposed then with the forces that are its enemy. Within the world of art today it is dangerous to advance any kind of nationalism, for nationalism is too clearly an enemy resource.

JOHN FINCH

New Books: A Reader's List

EDGAR WALLACE: The Biography of a Phenomenon, by Margaret Lane (Doubleday, Doran, $3). Digging up the details of his life proved to be almost as much a problem in sleuthing as any ever concocted by Edgar Wallace himself—and as rewarding. From his illegitimate birth and adoption into squalid surroundings (here described with the Dickens touch) through the exciting days of making a reputation as reporter in the Boer War, to his final wealth and fame, his career makes a fascinating story, with sidelights on British life and no moral except success.

SOME LIKE THEM SHORT, by William March (Little, Brown, $2.50). Twenty stories, ranging from one or two pretty awful to one or two nearly first rate, and one ("A Memorial to the Slain") very funny. Mr. March has a good heart, a feeling for humor and an undiluted hatred for war. Chalk up on the other side of the slate that he often writes in a prose style like that of an educated robot.

EDINBURGH, by Sacheverell Sitwell and Francis Bamford (Houghton Mifflin, $4). Scottish history in terms of quarreling kings, chieftains and churchmen from the eleventh to the nineteenth centuries, with Edinburgh as setting. The historical attitude is romantic and textbookish and the writing curiously dull, except for a pleasant account of the architecture and culture of th[illegible]

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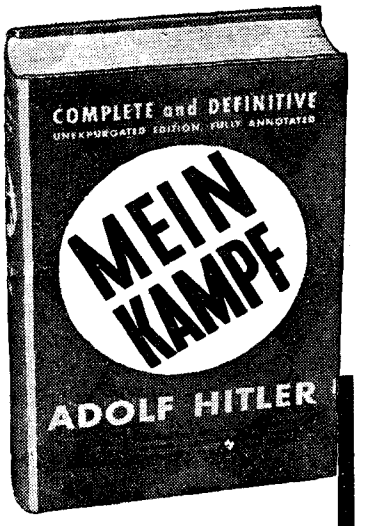

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ONCE AROUND THE BLOCK, by John Klempner (Scribner's, $2.50). A very likable novel about Brooklyn people, most of them workers in a chocolate factory and wishing they were something better. Mr. Klempner describes their setbacks with a bright malice that is more effective than bitterness. He also makes his characters genuine, their wise-cracking conversations lively and precise.

THE SPIRIT OF VOLTAIRE, by Norman L. Torrey (Columbia, $3). The author kills a good many dogs already dead and lays the whitewash on a bit too thick. The most useful parts of his work are the sections in which he shows the mystical core of Voltaire's rationalism and brings out his mingled role as both herald of revolt and heir of humanist enlightenment.

SECRET AGENTS AGAINST AMERICA, by Richard Wilmer Rowan (Doubleday, Doran, $2). Foreign espionage and sabotage in the United States exposed by an authority on international secret service. Exhilarating for the student of intrigue, good pickings for the idea men behind Dick Tracy serials, and a prod to the G-Men to organize a comprehensive system of defensive counter-espionage.

PROMISE OF LOVE, by Mary Renault (Morrow, $2.50). A well written novel of young and very serious love done with full modern accompaniments, and lots of analysis. The heroine is an English hospital nurse, and the descriptions of hospital life are something of a relief from the tense relations of the two protagonists.

FIESTA IN MANHATTAN, by Charles Kaufman (Morrow, $2.50). The story of a poor young Mexican couple who let themselves be brought to New York. That is their first mistake. Their second is in thinking a training at fiestas will do them any good in Harlem. Though you expect it, their failure is fresh and very appealing.

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Contributors

PETER F. DRUCKER's article in this issue summarizes some of the arguments in his forthcoming book, "The End of Economic Man," which attempts to analyze the social, political and economic causes of the totalitarian revolution and the aims of the Nazi regime. It will be published next month by the John Day Company.

HARRY W. LAIDLER, the executive director of the League for Industrial Democracy, was the Socialist candidate for Governor of New York in 1938. He has written many books, including "A History of Socialist Thought" and "Concentration of Control in American Industry."

REXFORD G. TUGWELL was formerly Undersecretary of Agriculture and is now chairman of the New York City Planning Commission.

JANE HOLMES is the pseudonym of a graduate of Bryn Mawr now working in the South.

JOSHUA KUNITZ is the author of numerous articles on Soviet life and culture, and several books, including "Dawn over Samarkand." He is writing a book on Soviet literature.

JOHN CHAMBERLAIN, formerly the daily book reviewer for The New York Times, is now an editor of Fortune. He will contribute a weekly book review to The New Republic beginning about June 1.

T. S. MATTHEWS is the author of two novels, "To the Gallows I Must Go" and "The Moon's No Fool." He is an editor of Time Magazine.

J. Z. LURIE has lived in Palestine and written about it for many magazines, British and American. He is now studying at the Graduate School of Journalism, Columbia University.

MILDRED GILMAN is a novelist who used to cover murders for The New York Journal. She spent some time as a feature writer in Germany, and now lives in Ridgefield, Connecticut, with her husband, Robert Wohlforth, secretary of the La Follette Civil Liberties Committee.

JOHN FINCH is a counsellor in American History at Harvard, and has published verse and criticism in several magazines.

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